Thursday November 24 1988

PERU IN CRISIS Currency devalued. food prices soar

World News

### Sharpeville Six win reprieve from execution

South African President Botha spared the Sharpeville Six from the gallows substituting long prison terms for five men and one woman whose battle against the death penalty was supported by worldwide calls for clemency. Page 20

**Bush appointment** President-elect George Bush Brent Scowcroft as his White House national security adviser. Page 20

Unita to fight on Angolan rebel movement Unita vowed to continue its guerrilla. war despite a peace accord reached between Angola, Cuba and South Africa. Page 6

### Nemeth for PM

The state of the s

16.45

William Inc.

ivie.

1200

9

n

**Hungary's Communist Party** nominated 40-year-old Polit-buro economist Miklos Nemeth as prime minister to replace Karoly Grosz leaving the favourite for the job, Rezso Nyers, to head the economic ministry. Page 2

Ms Benazir Bhutto, leader of Pakistan's People's Party, has warned the President that the delay in nominating a prime minister is "both unfair and

#### Brazil strike off

Strikers at Brazil's Volta Redonda steel mill agreed to return to work after authorities pledged to compensate families of three workers killed by troops during the 16 day pay dispute. Page 5

### Basque bombing

Basque separatists killed a child and a television executive and wounded 45 in a huge car-bomb attack on the headquar ters of the paramilitary Civil Guard in Madrid: Page 2

### IRA rocket attack

An IRA rocket aimed at a passing police patrol narrowly missed a Northern Ireland bar and a pedestrian and smashed into a hutcher's shop next

### Disease spreads

Mystery disease which caused 127 children in the Ukrainian town of Chernovtsy to lose their hair has spread to the neighbouring republic of Mol-davia.

Storm hits Florida Tropical storm Keith swept ashore and moved inland over Florida, battering the Guif of Mexico coast with rain and winds of up to 80 mph (130 kph) knocking out power in

#### 5 killed in barracks A Portuguese Civil Guard cook killed himself and four col-

leagues and wounded 12 when he opened fire indiscriminately at a Lisbon barracks. Lima riot arrests.

### Police arrested 40 striking Peruvian miners after firing

tear gas and birdsbot to disperse protestors in two inci-dents after the government unveiled drastic austerity mea-

### Handsome price

Hungarian museum paid almost 50,000 forints (\$925) for the right hand of a giant Stalin statue felled in the 1956 anti-Communist uprising kept as a souvenir by actor Sandor

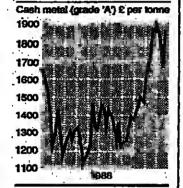
### buoyant despite US

setbacks

Electrolux

**ELECTROLUX** of Sweden world's leading white goods manufacturer, reported its strongest third quarter result to date despite setbacks in the US market, and said it expected the pace of improvement to continue into next year.

Page 21 COPPER demand, now high and consequent tightness of supply will continue well into next year, said Mr Robert "Bull" Durham, chairman of



Phelps Dodge, On the London Metal Exchange the cash price of Grade A copper rose by £110 (\$204) a tonne, to £1,867.50 a tonne. Page 32

BASF provided further evidence of the buoyant state of the West German chemical industry by reporting sharply higher profits for the first nine months of 1988. Page 21

**GRAND Metropolitan's hopes** of stopping the offer by Pernod Ricard for Irish Distillers going unconditional appeared to have been dashed by a High Court judge, Page 21 COURTAULDS, international

textiles and chemicals group, announced a 4 per cent fall in pre-tax profits from £102.2m (\$188m) to £98 Im for the first half of the year. Page 25 NESTLE, multinational foods group which rocked the Swiss stock market by opening its registered shares to foreign ownership, forecast a consolidated net profit of SFr1.9bn SFr2bn (\$1.3bn-\$1.37bn) for

1988. Page 24-DOUBLE warning that Britain faces a prolonged period of high interest rates came from both Mr Nigel Lawson, the UK Chancellor of the Exchequer, and a leading economic

research institute. Page 10 CABLE & WIRELESS, international telecommunications group, increased its bid for Telephone Rentals, UK's second largest telecommunica-tions equipment distributor, to 340p per share but offer was once again rejected. Page 25 **HUNGARIAN Credit Benk** signed a letter of intent with

Daewoo of South Korea for Hungary to supply car compo-nents and also to assemble cars. Page 8

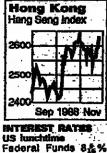
ALAN BOND, Australian entrepreneur involved in a controversial corporate play for the Lonrho group in the UK, released fresh details of his empire's finances to counter allegations that it is overbur-dened with debt. Page 24

BANK OF Montreal, third largest Canadian bank, staged a strong recovery. Fourth-quarter net profits were C\$215m (\$178m), or C\$1.94 a share, com-pared with C\$108m or C\$1.12 for the 1987 period. Page 22

MEDIA GENERAL, US newspaper and television station owner which thwarted a corpo-rate raider this year, is to take a \$35m-\$40m fourth-quarter charge because of the spin-off of a subsidiary. Page 22

KOMATSU, Japanese construc-tion equipment maker is to build its mini-excavators for the European market huilt in Europe in a deal with FAI of

### MARKETS



Faderal Funds 8 % Y121.325 (121.925) (83s) 3-mth Treasury Bills: yield: 8.266% (8.28) yield: 8.295% (8.28) Long Band: 9837(9937) SFr1.4390 (1.4475) Y121.35 (121.35)

yleid: 9.1% (9.11)

STOCK INDICES STERLING New\_York lunchtime \$1,8340 (1,83375) Dow Jones Ind. Av. 2,090.68 (+12.98) \$1.8375 (1.833) DM3.1525 (same) FF:10.7775 (same) SF:2,6450 (2.6525) 268.17 (+2.75) DOLLAR

1,837.1 (+15.8) World: New York bunch 137.71 (Tues) DM1,7195 (1,72825) FFr5.8740 (5.908) SFr1.4420 (1.45525) closed (29,430.12) London: DM1.7160 (1.7205) FFr5.8650 (5.86) Commerzbank

GOLD.

1,597.6 (+10.0) Brent 15-day (Argus) \$13.25 (-0.15) (Dec) New York close West Tex Crude

### Business Summary

# Chun offers \$23m penance for crimes against state

FORMER President Chun Doo Hwan of South Korea yester-day offered to repay \$23m to the state to atone for wrongdoing during his eight-year rule and said he would go into seclusion with his wife in a Buddhist monastery to repent over the past.

His emotional apology, how-ever, failed to silence critics of Bowing to months of pressure from students, opposition leaders and President Roh Tae Woo, his successor, he took

reponsibility for all his subor-

dinates' mistakes and asked the public for forgiveness.

In a televised statement Mr
Chun, who took power in a
military coup in 1979, said he
was ashamed of the behaviour

of his relatives, many of whom are now being investigated and jailed for corruption.

Looking noticeably aged and under strain, he described the 1980 killings in the city of Kwangiu as a heartbreaking trag-edy and regretted his failure to make amends during his rule. Opposition leaders and other

while Mr Chun's statement appeared to be sincere, it was not enough to end the criticism of his government. Having apologised for the corruption and brutality. Mr Chun must now reveal the facts about his regime, they said.
Mr Kim Dae Jung, Opposi

tion leader, said Mr Chun, his family and friends had misap-propriated billions of dollars. Although Mr Chun's apology was historically significant and showed how far the power of public opinion had advanced, Mr Kim said only a full revela-

tion of the facts and restitution of ill-gotten gains would be acceptable. President Roh, whose aides

spent weeks persuading the former president to make his statement, is expected to await public reaction before making any decisions on Mr Chun's future. A major Cabinet reshuf-fle is expected soon to remove officials associated with the former president.

Pressure for Mr Chun's testi-

mony at the public hearings now being held into corruption and the Kwangin killings is

likely to grow.

As the disgraced former leader drove through a gaunt-let of protesters outside his Seoul home, his weeping wife heside him, some ordinary South Koreans were also in tears at the sight of a former president brought so low. But although many said they

but amnugh many said they felt sorry for him and regarded his apology as sincere, they emphasised the need to investi-gate the past thoroughly to make sure that the repressive years were clearly hrought to



# Three Soviet soldiers killed in renewed Azerbaijan riots

By John Lloyd in Moscow

THREE Soviet soldiers have been killed and 126 people injured in the latest clashes between Armenians and Azeris in the Soviet republic of Azerhaijan. The disturbances were the most serious since Febru-ary, and suggested the Kremlin's efforts to calm ethnic tensions in the southern trans-Cancasian region had

Official media reports said the soldiers had been sent to quell unrest in the Azerbaijani city of Kirovabad. Some or all of the injuries took place in the Azerbaijani region of Nakhich-

Massive demonstrations have taken place this week in the Azeri capital of Baku, and there have heen sporadic strikes and rallies in Yerevan, capital of the Armenian repub-

The trouble, the worst since the anti-Armenian riots in the Azerbaijani city of Sumgait on Fehruary 28, are a hitter set-back to efforts by the Kremlin, and by Mr Arkady Volsky, its senior envoy to the region, to find a middle way between rival nationalist demands. Placards in the Azeri demonstrations reportedly called for

THE Swedish Government

yesterday unveiled a radical

tax reform plan which would

result in up to 90 per cent of

Swedes not paying any state income tax after 1991 when the

changes are expected to come

Under the proposals, which

represent one of the higgest

npheavals in the country's tax system, Sweden's highest mar-

the expulsion of Armenians from Azerbaijan, and expressed support for the "heroes of Sum-gait" – the three defendants charged in Moscow with murder of Armenians during the February riots. One defendant has been condemned to death. A spokesman for the Azer-baijani External Relations Min-istry said last night that "the situation in Kirovohad and Nakhichevan seriously wors-ened today (Wednesday)." States of emergency have been declared in both places, and one is expected in Baku, where

troops are guarding Armenian

quarters and homes.
Activists in the Karabakh
committee, an independent Armenian group agitating for the right of the Armenian-popnlated enclave of Nagorno-Karabakh to secede from Azerbai-jan and join Armenia, said they were in control of the pace of events in Yerevan. A committee member told the Financial Times that workers in Yerevan were sporadi-

cally downing tools and con-gregating at Opera square, where news - or at least

rumour - was available. The

Sweden to slash direct taxation

disturbances were reportedly sparked off hy the start of

ginal tax rate of 72 per cent on incomes for the richest earners

is also to be reduced to 60 per

cent, with the longer-term aim

of cutting the top marginal

Swedes will however con-

tinue to pay local community taxes of about 30 per cent on

their incomes. They will also

probably have to pay more for goods and services because the

rate to 50 per cent.

near the town of Shusha, which is largely Azeri in population, although it lies in Karabakh. Azeris claimed the site was sacred for them. was sacred for them.

Work on the plant has been stopped despite a promise by Moscow in July as a consolation for its rejection of Karabakh's demands for union with

work on an aluminium smelter

Armenia. News of the riots prompted the hasty suspension of a ses-sion of the Armenian Supreme

Soviet on Tuesday, and this apparently prevented the Armenian legislators from voting on the controversial constitutional changes which are now going before the parliaments of other republics. ments of other republics. Karabakh committee activists said the legislators refused a request from Mr Volsky for the constitutional amendments to be passed on the nod, before the assembly broke up. The constitutional changes have

Baltic states. In Riga, capital of Latvia, a late meeting of that republic's Supreme Soviet appears not to have followed neighbouring Estonia in voting for a right of

present indirect taxation sys-tem, which adds a 23.5 per cent

tax to many items, is expected

This could mean a rise in the

cost of hving with increased

prices for newspapers, televi-sion licences, travel trips, cin-ema and theatre tickets, and

telephone hills - a move that is intended to help some of the

way to meet the expected

to be extended.

caused intense acrimony in the

tional changes. But delegates did, it seems express their opposition to changes which threaten to deprive the republics of present powers. The proposed amendments, which go the national Supreme Soviet next Tuesday, are now the object of controversy

They are seen hy many form-minded intellectuals as having heen rushed through before proper consideration.

• Mr Rafael Popoyan, Armenian activist, said Armenians decided at a meeting late Tues-day to form "self-defence squads" in areas of their repub-lic where Azerbaijanis live, hut there were no reports of vio-

lence in Armenia, AP reports.
The Azerbaijani newspaper, Bakinsky Rabochi, said yesterday hus travel between the two republics had been cut off, and no one was allowed into Azerbaijan from Armenia carrying building materials in their

Mr Gennady Gerasimov, Soviet Foreign Ministry spokesman, said from Moscow that the situation in Baku was difficult, and that there had

The ruling Social Democrats

also propose to extend the present taxes on capital, which

is expected to hring in a fur-

ther SKr30bn and close up

existing tax loopholes that the

their tax burdens.

well-off use now to reduce

# Rodamco makes £1.3bn offer for Hammerson

By Nikki Tait in London

RODAMCO, Netherlands-based property ter, and Australasia for 14 per investment company, yester-day launched a surprise bid for Hammerson Property Invest-sented about 9 per cent each. ment and Development Corporation, Britain's third largest property group. The cash offer values Hammerson at £1.3hn (\$2.38bn).

News of the hid hrought a swift response from Hammer-son. The British company said that the bid was "unwelcome, derisory and wholly unacceptable," and advised sharehold-

ers to take no action.

This is the second time that Rodamco, the largest property vehicle in the Netherlands and one of the four investment companies within the Robeco group, has made a hostile move on the UK property scene. in 1986, it won a bitter £252m bid battle for Haslemere Estates.

The bid also comes just two and also comes just two months after Wereldhave, the second largest Dutch property group, seized control of Peachey Property Corporation, a smaller UK company, in a 282m contested bid

Yesterday, Rodamco said that the acquisition of Hammerson would strenghten its international portfolio, taking it into areas like Australia and Canada, where it does not currently have any investment. If successful, the bid would virtushortfall of SKr60bn (\$10bn) in lost revenues as a result of the ally double Rodamco's size; at the end of August, its net assets were put at £1.78bn.

It also said that it believed Hammerson had not been managed to its full potential in recent years.

Hammerson, which has con-centrated on retall and offfice property investments, had around 43 per cent of its portfolio in the UK at the end of 1987.

the Canada accounted for a quarcent. The United States and sented about 9 per cent each.
The company's net assets were put at just over £1bn at 1987 year-end, or 650p a share. However, Hammerson only implements an external valuation on certain geographical parts of its portfolio each year, aiming to have accomplished a full external revalution over each five-year period. This prompted a fairly wide range of estimates from analysts over the current net asset value, with figures varying from around 900p a share to more than £10 a share.

The terms of the bid are pitched at SISp for each ordi-nary share and 780p for each "A" ordinary share, with loan note alternatives. Yesterday, the ordinary

shares jumped from 739p to 895p, while the "A" shares rose from 675p to 854p. Rodamco and its subsdiairies own 545,000 ordinary shares and 6.87m "A" shares, This gives it around 2.9 per cent of the total votes. Rolinco – another com-pany within Robeco – held a further 300,000 "A" shares. Rodamco is advised by S. G. Warhurg and Hammerson by Kleinwort Benson.

The Robeco group was set up more than 50 years ago by a club of Rotterdam "barbour barons", seeking a thrifty investment vehicle. Rodamco, the property investment arm was set up in 1979, and takes the form of an open-ended investment company which is listed in the Netherlands. France, Belgium, and West Germany. The total funds managed by Robeco itself amount to over £10.5bn.

# **UK** Government sets low price for British Steel privatisation

By Philip Coggan in London

THE BRITISH Government yesterday announced a bottom-of-the-range price of £2.5bn (\$4.57bn) for British Steel in an attempt to ensure the success of the privatisation issue after

the privatisation issue attri-the problems experienced dur-ing last year's BP offer.

The price per share was set at 125p, although overseas investors, at whom one third of the issue is targeted, had indi-cated they would be prepared to pay as much as 135p to 140p

per share.
Analysis predicted that the lower price would attract private investors and that the shares might reach a premium

of 15p to 20p once stock market trading began.

Mr Bryan Gould, the UK opposition Lahour Party spokesman on trade and industry described the offer as the "insider deal of the century". "insider deal of the century".

He added: "This sale under-values British Steel by well over £200m - that's a loss of £10 for every household in

Water takeovers

Britain may allow overseas takeovers of water utilities created when the industry is privatised. Page 11

**Pollution costs** UK Government rejects calls

for the cost of reducing emis-sions from electricity stations to be passed on to consumers after privatisation. Page II

Lord Young, the Secretary of State for Trade and Industry, said, however, that the price was "fair both to potential investors and the taxpayer. Many in the City of London believe steel has been attractively priced to prepare the way for the much larger electricity and water offers which tricity and water offers which are next on the privatisation programme.

UK private investors are being offered 23 per cent of the

issue, with 44 per cent going to UK institutions and 33 per cent heing split between overseas investors in the US, Japan, Europe and Canada.

However, if UK public demand is sufficient, shares will be clawed back from the institutional and overseas

If the British public offer is 1.75 times subscribed, the overseas portion will be reduced from 33 per cent to 25 per cent to accommodate UK demand. If the British public offer is 2.25 times subscribed, the UK institutional offering will be reduced from 44 per cent to 33

If both clawbacks are triggered, 42 per cent of the issue would be available for UK pri-

tivs to privats investors because it is offered in two Continued on Page 20

vate investors.

The issue may prove attrac-

Lex, Page 24; British Steel share price well-received, Page 28

CONTENTS indonesia: Tackling a sea of public-sector cor-



Spanish Prime Minister Felipé Gonzalez feels the terrorist activity of ETA sensratists poses so seri-ous a challanga that ha has labelled it "the last threat to Spanish

damocracy".

Agriculture ...... Arts-Reviews ... World Guide .

Computer security: Curbing the reach of the gropers" .. Conduct of business rules: Not yet a New English Bibia .. Editorial comments A low skill equilibrium; balance sheet challenges .... Lombard: Tha pillaga of UK philosophy ...... 19 Economic Viewpoint: What the dollar will not

Lext Steel; S. G. Warburg; Hammarson; Cour-International bonds ...... Intl. Capital Markets ..... Stock Markets -London -Unit Trusts

**Gwent** 

perfect prescription for



has the **Warner-Lambert** 

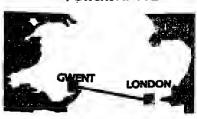


Major pharmaceutical company Warner-Lambert first established a base in Gwent 18 years ago and has recently transferred manufacturing here from Eastleigh in Hampshire.

Bill Butler, Director, explains why Wamer-Lambert have confidence in Gwent: "The location is excellent and the M4 and the M50 provide swift links with the whole of Britain.

"We have found no difficulty in recruiting staff who have demonstrated their ability to learn new skills. In addition we are located close to a beautiful National Park, and the quality of life is second to none. In short, we enjoy being here!"

Wamer-Lambert is just one of rnany businesses which have successfully made the Gwent Connection. To find out more, ring the Gwent Industrial Development Team on 0633 838867 for a free and confidential consultancy service. Or write to Gordon Probert, County Planning Officer, Gwent County Council, County Hall, Cwmbran, Gwent NP44 2XF.



By Leslie Colitt in

MR MIKLOS NEMETH, a relatively unknown senior eco-nomics official, has been cho-sen to succeed Mr Karoly Grosz, the party leader, in his dual post as Prime Minister of

Hungary.

Despite a powerful lohhy in the party's Central Committee, which backed the candidacy of Mr Rezsō Nyers, the popular architect of Huogary's economic reforms, a unanimous vote was cast for Mr Nemeth, a Myear-old technocrat 40-year-old technocrat.

The 65-year-old Mr Nyers was named Minister of State for Economic Affairs – in effect, Deputy Prime Minister. As late as Tuesday, when the Central Committee opened its two-day session, a senior Hun-gariao Government official said Mr Nyers would be nomi-nated for the top post. After the choice of Mr

Nemeth was announced yester-day a spokesman for the Central Committee said "popular-ity was not the decisive factor. There had been other consider-

Mr Nyers was understood to his candidacy which would have amounted to a consider-



Nemeth: chosen as a ompromise candidate

able upgrading of the Prime Minister's authority. This was turned down by Mr Grosz, and Mr Nemeth was then chosen as the compromise candidate.

The party leadership was said to be exerting strong pres-sure on its deputies in Parliament, who make up 75 per cent of the total, to approve the choice of Mr Nemeth today. A large number of deputies, especially from Budapest, were known to have favoured Mr Nyers, who believes economic reforms will not succeed with-out radical political reforms not universally popular in the

party.
Mr Nemeth joined the Politburo only last May and was Central Committee secretary responsible for the economy. He previously served in the National Planning Office, and in 1980 joined the staff of the Central Committee, where he rose swiftly. Few Hungarians outside the

party, however, were aware of

his existeoce.

The post of Prime Minister in Hungary is an extremely risky one, as the Government is Increasingly being made responsible for the success of the party's economic reform

programme.

If the ailing economy fails to improve in the next few years, Mr Nemeth could suffer the fate of Mr Grosz's predecessor as Prime Minister last year, Mr

Gyorgy Lazar. Mr Imre Pozsgay, the Politburo's leading exponent of political reforms, said yester-day that he saw no obstacle "in principle" to the multi-party system being introduced in Social Democratic youth move-Hungary in the next few years. Meet voiced its approval,

# Technocrat | UK compromises on TV advertising rules

By Raymond Snoddy in Stockholm

THE British Government yesterday put forward a last-minnte compromise on rules affecting television advertising in the hope of clearing the way towards the signing of a Europe-wide convention on trans-frontier broadcast

British objections to West German-sponsored rules severely limiting the ability of hroadcasters to carry advertising in the middle of pro-grammes was one of the main barriers to agreeing a conven-tion as ministers from 21 Coun-cil of Europe nations met yesterday in Stockholm.

Because all the UK's commercial television companies qualify under the draft conven-tion as international broadcast-

MR MANFRED WORNER, the

Nato Secretary-General, yester-day called for a new East-West "security framework" under

which both sides would accept a military strategy in which

nuclear weapons would retain an important role. "We must be prepared to

seek actively to draw the

Soviet Union more closely into the global community," Mr

the global community." Mr Worner said in a lecture at London University's King's College in London. "What we are searching for is a shared coocept of security that will provide the necessary basis for pursuing political change, which may ultimately lead to a

which may ultimately lead to a new peaceful, stable and more

ers, the restrictions would have a severe financial effect on the ITV system.

British opposition was sup-ported by other countries

which have advertising-based television systems such as Ireland, Italy and Luxembourg. Mr Timothy Renton, the Home Office Minister responsible for broadcasting, made it clear before going to Stock-holm that the UK would not

sign such a convention.
Yesterday after informal talks with the West German delegation outside the conference chamber, Mr Renton gave some ground to try to reach an

The draft convention says that feature films can only be interrupted once by advertis-

Bnchan memorial lecture of

the International Institute of Strategic Studies (IISS), linked his overtures to the Soviet

Union to a categorical rejection of Moscow's proposals for the abolition of all nuclear arms.

Nuclear deterrence had underpinned the deterrent

strategy of Nato throughout its

existence and had created a form of stability which conven-tional forces alone could not

have provided.
"The chimera of a non-nu-

clear world held ont by Mr Gorbachev would not lead to a safer world. Successive govern-

ments in all the Nato countries

have considered this balance of risk and invariably concluded that the best way of ensuring

ing and that made-for-televimig and that made-for-televi-sion films, series, serials and documentaries longer than 45 minutes can be interrupted once for each complete period of 45 minutes

The British amendment accepted for the first time that feature films and films made for television could only be interrupted once for each com-plete 45 minutes. Under this amendment a further burst of advertisements is allowed if the programme is at least 20 minutes longer than two or more complete periods of 45

Britain still wants series serials, light entertainment and documentaries excluded from these rules although the UK has accepted that news and

some mix of nuclear and con-

ventional forces," Mr Worner, a former West German Defence

Recent Soviet statements indicating that Moscow now

accepted the doctrine that a

nuclear war was not winnable, suggested that an East-West consensus on the value of

consensus on the value of nuclear deterrence was now possible. "It would be very odd if the Alliance were to jeopard-ise the policy of deterrence just at a time when there are pros-pects of making the Soviet leadership understand the importance of its contribu-tion."

Clearly with an eye on West German public opinion, which has shown great reluctance to

accept the modernisation of short-range nuclear weapons

Wörner urges Soviets to retain nuclear deterrence

current affairs programmes, documentaries and children's programmes of less than 30 minntes should not be interrupted by advertising. Earlier Mr Marcelino Oreja,

Secretary-General of the Council of Europe, the Strasbourg-based international organisa-tion mainly concerned with human rights, appealed to min-isters to agree a basic frame-work for trans-frontier broad-

casting.

In the age of television satellites, he said, the choice was hetween agreed minimum rules for the free circulation of television programmes around Europe or "andio-visual chaos".

Responding to the media rev-olution being brought about by

on its territory, Mr Wörner said that, before seeking to convince the Soviet Union,

Western public opinion must first of all be persuaded of the

need for nuclear weapons.

The people of the West had to be disabused of the notion

that such weapons were peace-threatening, rather than peace-keeping. During a time when the West's stockpile of theatre nuclear weapons had

been reduced by one-third to its lowest level in 20 years, the

Warsaw Pact's armoury of con-ventional forces had been dra-matically enhanced. In addi-

tion, the Soviet Union could

call on a vast array of chemical

Without the deterrent provided by our nuclear forces, these capabilities might well

technological change was one of the greatest challenges now facing democratic societies. Mr Renton told the confer-

ence that in 1987 Western Europe needed 125,000 hours of television programmes but produced only about a quarter itself. By 1990 Western Europe would need 300,000 hours to meet the needs of planned new

Much more needed to be and television programmes.

A minimum first step should be the hringing together of data which included national trade receipts and exports broken down by country of origin and distinguishing between cinema films, television and video.

be regarded as much more readily usable, with predictable consequences for stability and confidence."

An inescapable corollary to all this was that, even if an agreement was reached in the

forthcoming conventional sta-hility talks on much greater reductions in Warsaw Pact

arms and forces than those of Nato, "we shall still need to

rely on a modern theatre nuclear element to underpin

Mr Worner could hardly have said in plainer terms that he expected the Bonn and

other reluctant Nato govern-ments to accept the modernisa-tion of short-range nuclear

weapons as an essential ele-ment of the Alliance's future

distort competition.
The Commission launched

objections to Ptas 5bn (£24.7m) of debt guarantees, soft loans and subsidies to Magefesa, a

supplier of household appli-ances based in Andalucia. It also issued a warning over Ptas 3.3bn of capital injections

our deterrent."

known about the trade in films

# Perestroika fans the flames of long dormant patriotism

FOR YEARS, beneath the crusts of terror and stagnation, the sentiments of patriotism continued to flicker in many of the Soviet republics. Now, as perestroika lightens central control, they are being fanned

into flame.

In the trans-Caucasian republics, Armenian memories of their people's slaughter in Turkey in 1915 can still animate hatred and fear of the Azeris, a Turkic people. In the Baltic republics of Estonia,

Baltic republics of Estonia, Latvia and Lithuania, memories of pre-war nationhood are being rekindled.

In Georgia, the Ukraine, even Byelorussia, flashes of protest have been picked up, albeit much more uncertain. Over the past few days, the Armenian-Azeri feud has erupted again onto the streets.

The picture in Moscow is pieced together by calls to journalists and activists in the Armenian capital of Yerevan and Baku, capital of Azerbaijan: it is inevitably hedged about with rumour, though the about with rumour, though the central facts seem clear.

The focus of discontent is in

Baku, where huge demonstra-tions have been held.

Witnesses agree that the immediate cause of the demon-strations has been the attempt by Armenians to begin construction of an aluminium smelter in a forest in Nagorno-Karabakh, the Armenian popu-

Karabakh, the Armenian populated enclave in Azerbaijan.

The smelter is planned near the one Azeri-populated city in Karabakh, Shusha, and the Azeris claim the forest has a special significance.

Speakers at Tuesday's rally in Baku also made clear their wish that Karabakh lose its present status as an "autono-

present status as an "autonomous district" and be fully merged into Azerbaijan. Slogans at the meeting allegedly included "expel the Armenians from Azerbaijan" and "Death to the Armenians."

The smelter was promised by Moscow to soften the impact on Armenians of the Kremlin's refusal to let Karabakh be united with Armenia.

The inflamed Azeri reaction from Azerbaijan demonstrates the very tight limits under which all parties, especially Moscow, operate. Any concession to one side is increased. sion to one side is unacceptable to the other. Some Azeria reportedly believe that Moscow is consid-

Ptas 3.3bn of capital injections to the loss-making Imepiel, the Spanish state-owned footwear producer. Brussels argues that private investors operating in normal market conditions would never have put up that kind of money. The public authorities concerned must now submit their comments before the Commission decides Karabakh's sta tus to that of an autonomous region. That concession would infurlate the Azeris. A fortiori, the Azeris have no intention whatsoever of letting Karabakh detach itself from their republic: what they have, they hold.

The manner in which news of the latest unrest was broken of the latest unrest was proken to the Armenian Supreme Soviet (parliament) is of great interest. It seems that the Tuesday session of the Soviet was suspended on the initia-tive of Mr Arkady Volsky, the senior official sent by Moscow

in mid-year to try to defuse tension which had already claimed over 30 lives. It was Mr Volsky who told

AN IRISH airline's fight for permission to take off from Dublin, pick up passengers in Manchester, and continue the journey on to Milan, is about

In what is seen as the first major test case of the EC's air

the legislators that Azeris were attacking Armenians.

He also proposed that they pass on the nod controversial draft changes to the Soviet constitution, so that they could complete the business of the session before breaking up. This is being taken by the Armenian protest movement as an attempt to railroad through assent on an issue which has already caused dis-sension in the Baitics.

The Armenian delegates had already agreed to some of the changes, but refused to follow Mr Volsky's proposal. Instead, they voted to suspend the session and return to the agenda

later.
The Baltic republics remain in a state of political ferment.
Here, the Moscow media are taking an active hand, and have developed a consensus approach which states: i) that there were grave mistakes by the central authorities in the past, ii) that these mistake do not justify the "over-heated"



and "emotional" demands of the extreme nationalists; and iii) Russians in the republics, especially Estonia, face severe discrimination.

Yesterday's Pravda contained a long, beautifully phrased article by Dr Gustav Naan, an Estonian academician, who argued that the Esto-nians were attempting to erect a "barbed wirepallisade" to keep out socialism; and that

they were running counter to the integrationist currents in Western Europe.

Accusing nationalist Esto-nians of "demagoguery", he said the Estonian press was now full of offensive references

There is clear evidence that

the divisions between Estonians and Russians are growing more acute. Komsomolskaya Pravda reports a massive, unresolved dispute in the Estonian Komso-

mol (young Communist league)
over whether the post of Second Secretary should be
offered to candidates of any nationality: hitherto, it has gone to a Russian who is sup-posed to "mind" the Estonian First Secretary. The import of this goes far beyond Estonia. It threatens the long-standing tradition that Russians should hold the second-ranking post in the Communist parties of the non-Russian republics.

### humane international order," Mr Wörner, who was deliver-ing the annual Alastair continued security is a strat-egy of deterrence based on Swedes turn away from egalitarianism

By Robert Mauthner, Diplomatic Correspondent

By Robert Taylor in Stockholm

SWEDEN'S ruling Social Democrats are moving in a radical new direction with a tax reform programme for the next two years. The new emphasis in Swedish politics is to be on making the market economy function more effectively rather than ideas about solidarity and egalitarianism for which the Swedish model

was once renowned. The proposals to abolish state income tax for those earning less than SKr160,000 (£14,500) a year and to cut the highest marginal rate to 60 per cent will make a dramatic impact on the net income of most Swedes. People earning SKr240,000 a year, for example, will enjoy a tax cut of SKr36,000 under the proposals, while those on SKr160,000 will get a reduction in tax of SKr18,000. Those on low incomes of around SKr90,000 can expect a tax saving of

Skr2.000. The Government believes the reforms will help make Sweden a more efficient and competitive economy, rewarding personal initiative, encour-aging people to work harder and discouraging widespread

tax dodging.
The stock exchange and employers' organisation welcomed the proposals as did the white-collar union organisa-tion, the TCO, and local authorities. There appears to be broad

support for the reforms on both sides of industry. Some of the most enthusiastic words came from Mr Carl Bildt, leader of Sweden's Moderate party, who said he was pre-pared to work with the Social Democrats to see the changes

though asking who was going to have to pay for the tax cuts. The Communists were less approving and the Greens rather non-committal.

There is still some way to go,

however, before the tax reforms become a reality. But the broad framework has been established and will now go to an all-party tax committee which will draw up specific recommendations. These will then be scrutinised by the Government which will present detailed proposals to Parliament for ratification in the spring of 1990, to be implemented in 1991, Sweden's next

general election year.
The Social Democrats are The Social Democrats are being careful to emphasise that the origins of the proposals lie in decisions at their party con-ference last year which agreed that the existing tax system was unjust, inefficient and in desperate need of reform. The commitment to tax reform was given a prominent position in the party's manifesto in Sep-tember's general election. However, the huge cuts in

personal taxation on many Swedes on middle and higher incomes is bound to worry many on the left of the Social Democratic party who fear that this will increase social inequalities. But Mr Kjell-Olof Feldt, the Finance Minister, believes the present tax system no longer makes sense. This year only 2.4 per cent of taxes raised in Sweden will come from the taxation of capital, compared with 92.1 per cent from wage earners. The state actually makes a net loss in trying to collect the present

taxes on capital, a situation which Mr Stig Malm, head of the Swedish blue-collar union

the Swedish blue-collar union confederation, the LO, described as a "joke".

# Valeo told to repay subsidies

By William Dawkins in Brussels

was yesterday ordered by the European Commission to repay Ffr 11.2m (£1m) of state subsi-

The announcement came as the Brussels authorities sent formal warnings to the Paris and Madrid Governments over three other sllegedly anti-com-petitive state aids, to the French foundry industry, to Spain's largest footwear maker, and a Spanish producer of household appliances. Valeo received its state assis-

tance as interest subsidy on

VALEO, France's biggest the Italian businessman, over-producer of car components, came strong French Government resistance to gain control
of the company. Valeo was
then making heavy losses and
has since turned round enough to launch an albeit unsuccess ful bid for its main French

competitor.
"In view of the heavy competitlon in the Community car components sector, the Com-mission decided the aid could not be justified," said the Brus-sels authorities. Brussels also told the French Government Valeo received its state assisnce as interest subsidy on anti-snbsidy investigation — that it believes tax

### handed ont two years ago. incentives offered for exports before Mr Carlo de Benedetti, of French foundry products EC clash over reform of telephone and fax market

By William Dawkins in Brussels

A LEGAL row has erupted between the European Com-mission and four EC Governments over the tactics used by the Brussels authorities to liberalise the Community's Ecu 9.5bn (£6.3bn) market for tele-communications terminal

The European Court of Jus-The European Court of Justice yesterday said it had received complaints from the Governments of West Germany, Italy and Belgium, supporting legal action launched by France last July. They all attack the Commission for allegedly shaping its nowers by allegedly abusing its powers by proceeding with plans to scrap national telecommunications anthorities' monopolies over the terminal market without going through the usual pro-cess of consulting them first. Their action confirms that the Commission is likely to run into cousiderable resistance from member states if it pro-ceeds with plans to use the same tactic to liberalise the

much larger market for tele-communications services. Brussels is putting the finish-ing touches to a directive on telecommunications services, which it is expected to adopt before the end of the year. The legal action calls for the

directive on terminals to be annulled. That might seem extraordinary considering that all four countries, like the Commission, want to liberalise telecommunications. However, they see the the way Brussels has gone about liberalisation as a political threat. At stake is the Commission's use of a little known EC competition rule

Article 90 of the Treaty of Rome – which allows it to issue directives on its own initiative to stop state-owned monopolies from distorting competition. The court is expected to take

more than a year to decide the case. However, the directive on terminals continues to be valid in the meantime.

#### whether to call for the subsidies to be repaid. Spain given role to heal EC split over aid budget By William Dawkins in

THE forthcoming Spanish presidency of the European Community was yesterday left responsible for attempting to resolve a split between EC member states over how to share out the Community's Ecu350m (£231m) aid budget for Asia and Latin America.

A meeting of EC Develop-ment Ministers was yesterday divided over a Commission scheme to hand out the aid budget for those regions in two fixed portions, with allocations of roughly 65 per cent for Asia and 35 per cent for Latin America. That contrasts with the present case-by-case basis on which the aid is distributed, though the split between the two regions works out the

Madrid is keen to make a gesture to Latin America because of the important trade and political links it has in the

### Italy faces legal action in row with Aer Lingus

By Tim Dickson in Brussels

to land in a Luxembourg court.

transport liberalisation package agreed in December last

says.

Mr Aulestia of the EE insists, however, that "we have to conduct politics as if they (ETA) don't exist ... They have to reachistions"

That may be too easy. Mr

year, the European Commission has asked the European Court of Justice to intervene on behalf of Aer Lingus against the refusal of the Rome Government to allow this service. The situation is understood to have arisen because of Alitalia's decision to fly from

Milan to Manchester. Fifth freedom rights which allow an airline to pick up passengers and freight from its home country, disembark and collect passengers at an intermediate airport, and fly on to a third country destination - is a key part of the EC reforms and is considered particularly important by outlying member-states of the Community such as Ireland.

Aer Lingus claims that it has already lost money because of litaly's refusal of the service, and risks losing this winter's business as well.

The Commission's latest

The Commission's latest action follows a legal opinion delivered by Brussels in June which upheld the Irish case. The Court has been asked to take "interim measures"

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societaets Druckerel-GrabH, Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Bracken House, Cannon Street, London EC4P 48Y. • The Financial Times Ltd. 1988.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates \$365,00 per annum. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER send address change to: FINANCIAL 11MES, 14 East 60th Secon, New York, NY 10022.

## Spain runs out of ideas for dealing with Basque terrorism After 30 years of conflict and 600 deaths, ETA remains the biggest threat to Spanish democracy, writes Peter Bruce

capital's wealthiest residential

areas. The attack was being seen

yesterday as a direct response

to the Government's rejection three weeks ago of a ceasefire offer by ETA in return for negotiations on Basque independence.

with the start yesterday of a summit meeting in the southern French city of

ountainous, green, even lush, the Basque Country looks a lot less dangerous from the inside than it sometimes can from

Not even the grim pockets of heavy industry around Bilbao and Elgiohar can take away from the warmth of the place and its people. San Sebastian, its second city, must rank among the most elegant in

But then there are the terrorists. It is practically impos-sible to find a bridge, wall or houlder that has not been attacked by the frenzied spraypainters of the Euskadi Ta Askatasuna (ETA), the armed separatist movement, or its political wing, Herri Batasuna

The threatening slogans are a glaring reminder to the Socialist Government in Madrid that after more than 30 years of guerrilla war, and over 600 deaths, ETA remains strong ecough to provide what Mr Felipe Gonzalez, the prime minister, has called "the last threat to Spanish democracy".

ETA may not be assassinating as many Spanish Civil Guards as it was at the height of its campaign eight years ago, but week after week, it demonstrates through acts of sabotage that it is still alive and kicking. Some 15 people have been killed this year.
HB woo 17 per cent of the vote in the last Basque elections in November 1986, enabling its opponents to claim that the remaining 83 per cent of the votes were cast against violence.

But the region's politics are dominated by parties which espouse Basque nationalism in one form or another, and therefore seek to push to their very limits the powers available to the Basque Country under its 1980 statute of autonomy.

These days, little love is lost between violent and non-violent nationalists. "It is impossible to talk to them (ETA) or to Herri Batasuna anymore," says Mr Kepa Aulestia, Secretary General of the growing Social Democratic party Euskadiko Ezkerra (EE), which is an ETA

But efforts by the Govern-ment to stamp out ETA's vio-leoce through police action, co-operation with France and

A senior Spanish television executive and a child were killed early yesterday when the Basque separatist group RTA exploded a 70kg remote controlled car bomb outside

About 45 others were injured, 14 of them critically, including the dead child's parents. The bombing was the first attack by ETA in Madrid for 18 months and brings to 18 the number of people it has killed this year. The bomb destroyed much

negotiation with its exiled lead-

ers in Algeria have been only

The spectacular 249-day kid-napping this year of the prop-erty magnate Mr Emilio

Revilla was a disaster for the authorities, who failed to find

him or to stop a final Pta 1.2bn

ransom being paid by his fam-

ily.
The kidnapping and contin-

partially successful.

Montpellier between the Spanish Prime Minister Mr Felipe Gonzalez and Preside François Mitterrand. The of the headquarters and barracks complex – the same target attacked in May last year – near one of the Spanish continued use of French territory by ETA fugitives is likely to feature strongly in the meeting.

ued killings have effectively ruined an attempt begun in 1987 to talk to ETA leaders exiled to Algeria by France. Madrid always regarded these as "contacts" only and not negotiations but while they continued, a shaky kind of ceasefire seemed to be work-

ing.
ETA broke it, accusing the Government of simply trying



to persuade them to lay down their arms unconditionally. and of failing to offer any kind of deal on greater Basque inde-

pendence.
Following the rupture of the Algeria contacts, the Government began a two-pronged effort this year to deflate ETA. For years it has concentrated ETA prisoners in a few high-security jails far from the Basque

inmates are slowly being dis-persed to other prisons in an effort to isolate them and to encourage them to renounce violence. But few, if any, have, and there have been riots at some of the jails. The other tactic has been to try and marginalise ETA and HB politically in the Basque country itself and there, suc-cess has been marked. All the renouncing violence.

hope is that the association will further assuage some of the bitterness felt by Basques towards Madrid.

into something like the (italian) Red Brigades and abandon public opinion altogether if

The Socialists are now in coalition with the old Basque Nationalist party, the PNV, in the Basque Government. Although the Socialists are the bigger party, leadership of the Government here has been passed to the PNV and the

But the leader of the PNV Mr Javier Arzallus, remains worried. "For me the big probiem is that ETA will evolve

Ramon Jaregui, the young Socialist labour lawyer who is vice-president of the Basque Government, says there probably will have to be some sort of Basque parties, excluding HB, negotiation "at the end". signed a pact earlier this year But, he says, "we are win-ning. We are in the final stages. We should be able to finish with ETA in two or three years."

country. Now, the 500 or so they are marginalised," he

The Government was saying that a few years ago as well, when the French began to expel ETA refugees and then again last year when Paris handed over dozens of ETA members directly to the Span-

It is true that democracy and the co-opting by Madrid of the non-violent Basque nationalist parties has taken the edge off ETA terror. Fewer and fewer businessmen pay the so-called "Revolutionary Tax" that ETA

Financial Times (Scandinavia) Ltd. Ostergade 44, Copenhagen. DENMARK





# Buoyant revenues | Gaullism still shackles French policy on defence bring windfall for French budget

ins the

yesterday agreed a FFr 42.4in awarded to public sector budget aimed at adjusting the employees. They also include state accounts and distributing FFr 1.25bn devoted to the canthis year's unexpectedly buoy cellation of part of the debts of ant tax revenues.

per cent originally forecast, into practice for Mali.
has raised tax receipts by an
estimated FFr 36.6bn. The are an additional FFr 8hn pay-

already fast expanding French economy. The government deficit is unchanged at FFr 115hn. New expenses to be covered by the bill include a FFr 2.5bn payment to the social security stem to compensate for a cut

THE FRENCH government finance the recent pay rise Strong economic growth, lines agreed by industrial expected to reach 3.8 per cent nations at the Berlin summit this year compared with the 2.2 in September, and recently put

recent surge in consumer spending has prompted some analysts to predict an even larger boost to VAT receipts.

In addition, FFr 5.8bm has been saved on spending originally planned for the year.

The FFr 42.4bn package to be redistributed in an adjustment bill is unusually large, although the amount reached FFr 25bn two years ago, but finance ministry officials emphasise that the money will not be used to boost the already fast expanding French are an additional FFr 8bm payment to the French export credit agency, Coface, to top up the optimistic FFr 2bn of provisions against defaults made in the initial budget, and FFr 5bn to be set aside for debt swaps, aimed mainly at reducing the burden of renewable bonds falling due over the next three groups, the Finance Minister, play down the significance of these bond repayments, but their colleagues at the budget

their colleagues at the budget ministry have been deeply wor-ried. The bulk of the repayments are due in 1990, coinciding with tax cuts France will almost certainly have to make to bring its capital taxation in contribution rates in Sep- down into line with other tember aimed at helping European Community counemployment, and FFr 1.6bn to tries.

atternoon," said the Elysee. But a week passed before the text, refined page by page by Mr Mitterrand, was published. The worst part was that the per-fected text was a sad affair, the confession of a statesman who had run out of hope and out of ideas.

President Mitterrand ruminated on a number of familiar themes; France's nuclear deterrent doctrine, disarma-ment and the need for a more truly European defence of Europe within the context of the Atlantic Alliance. Any clear sense of the future direc-

tion of French defence policy was entirely missing. impression of the speech was that French defence thinking, which had appeared to be innovating rather boldly in new directions, had in fact remained hobbled by the shackles of

President Mitterrand remains politi-cally committed to the ideal of a more united European defence within the context of a loyal alliance with the US: so he is baffled and bitter that his standable. The original Franco-Ger-

On the contrary: the overriding

magisterial overview, at the start of

his second seven-year term, of the state and future evolution of France's

defence strategy. It was to have been

an event of the greatest significance; in the event, it fell flat.

As is his custom, the President spoke without a definitive text and

the world waited impatiently for an authorised version. "Come back this

### HIS is the story of the text of a speech. President Mitterrand IAN DAVIDSON gave the speech six weeks ago, to an august audience of military and civilian officials, at the Institut des Hautes Etudes de Defense Nationale. The speech was intended to lay out a -ON EUROPE

goodwill is being rewarded by so little real progress in this direction.

President Mitterrand's disappoint-ment is particularly eloquent in rela-tion to the British Government. "With Great Britain, we maintain cordial relations. But when it comes to common defence and armament, the conversation flags. After Reykjavík, I saw Mrs Thatcher start to wonder. The European option seemed to come

The perfected text was a sad affair, the confession of a statesman who had run out of hope and out of ideas.

closer. But nothing changed "I shall continue to struggle for the political unity of Europe, and so for the unity of its defence. But why hide the fact that Europe is scarcely con-scious of the rendezvous waiting for it next century? For the moment I see no solution..."

The only bright light for President Mitterrand was the apparent vigour of the defence relationship between France and Germany — culminating this year in the creation of a joint Franco-German brigade and a Fran-co-German Defence Council Indeed, in relative in political terms, French emphasis on this relationship is wholly under-

post-war reconciliation; and more recent initiatives have symbolised President Mitterrand's determination to express defence solidarity both with Germany and with the Atlantic

The trouble is that the Franco-German relationship does not lead any-where else; if the objective is a European defence arrangement, the Franco-German relationship is an impasse. Indeed, if the objective were a Franco-German defence relation-ship, it would still not lead anywhere. joint Franco-German brigade may have many virtues; but no one suggests that it weighs very heavily in the Nato-Warsaw Pact balance, let alone that the next step is a second joint beingdo.

joint brigade.

The 1963 Treaty enjoined the two countries to harmonise their defence doctrines so as to reach "common conceptions". In this year's protocol to the treaty, the new Defence Council is required to "elaborate common conceptions in the field of defence".

In other words, 25 years have assed and the two countries still do not have common conceptions on defence, because Germany is inside and France is outside the military structures of Nato. German defence is organised according to the alliance doctrine of flexible response, while France has stuck to a Gaullist version of national independence and absolute

nuclear deterrence.

This does not mean that there is anything insincere in President Mitterrand's declared allegiance to the ideal of a European defence; on the contrary, he has probably been more consistent in his European commitment than in anything else.

unreliable ally; on the contrary, Francois Mitterrand is, in political terms, undoubtedly the most Atlanticist president in the 30 years of the Fifth

What it does suggest is that in their what it does suggest is that in their defence rapprochement France and Germany have been pursuing parallel but separate political objectives; but that between President Mitterrand's different defence objectives, of European unity and French national independence, there are internal contradictions, which are irreconcilable. dictions which are irreconcilable. France cannot reach an effective defence arrangement in Europe with-

The only bright light for President Mitterrand was the apparent vigour of the defence relationship between France and Germany

out resolving two problems: Nato and nuclear doctrine.

The second is obviously more difficult than the first. Co-operation between conventional military forces is possible, even if France remains outside the Nato commands; but joint strategic planning will remain inco-herent if France sticks to a nuclear doctrine different from the rest.

And yet, President Mitterrand's bit-ter disillusionment seems strangely out of kilter with the present rather encouraging line-up of events. On the one hand, the very idea that Europe needs its own defence and security identity has made enormous progress in recent years, in most if not all

Nor does it mean that France is an European countries; on the other Europe's most pressing need is not to meet a military threat from the East, but to handle the political challenge of the Gorbachev (and post-Reagan)

The impressionistic evidence of the conference circuit is striking. A few years ago it was impossible to hold a seminar on the European defence theme without a purgatory of recrimi-nations between the French and the rest. Today, while French nuclear doc-trine is still in thrall to Gaullists and the supposed demands of public opinion, no one queries France's political

One reason is that European security co-operation is becoming an imperious necessity. The impending East-West negotiations on conventional forces in Europe, and the political ferment in Eastern Europe, will face the countries of Western Europe with new politico-military choices. They will have to co-ordinate their views in terms of Europe's interests, because these interests will not necessarily be co-terminous with the US.

The nuclear and Nato thorns will continue to prick, but they need not dominate centre-stage; in a period of potential detente, the top requirement is political unity between those with shared interests. If it were not for the opposition of Mrs Thatcher, who apparently remains convinced that the clock can be stopped or even turned back, it would be reasonable to believe that conditions were more propitious for progress on the political ingredients of European security cooperation than at any time since the end of the European Defence and Political Communities 34 years ago.

# Frenchman to join Soviet space mission

By Quentin Peel and Peter Marsh

crowded aboard Mir. the Soviet days. Six astronauts will be trying to work together, conduct scientific experiments, take essential exercise, let themselves be observed by the doctor who is one of their number, and somehow relax, for a whole month.

It might even come as a relief when two of their number take a walk in space, to conduct more experiments on the outside, in the course of

'Y" 12 153 22 1

action

777.7750

the mission. The immediate cause of the overcrowding is the launch of the second Franco-Soviet joint space mission on Saturday. That will take Frenchman Mr. guest has yet spent on the space station.

It will also take Mr Chretien into the record books as being the first Western European to by Glavkosmos, the Soviet make a second space voyage.

Mr Chretien was the guest aboard the first Franco-Soviet ered by the cost of French space exercise in the early

LIFE is about to become rather in Western Europe our experience is very limited."

He will be joining two Soviet astronants – Vladimir Titov and Musa Manarov - who have already broken the space endurance record of 326 days. They are due to stay up a full year before they return, with the French astronant, on December 21. Two replacement Soviet crew, and the doctor

who is already there, will remain for a full five months. Just to find out the medical and biological consequences of an extended stay in space is top priority for the French astronaut, followed by any lessons he may learn from the space walk he will take with Jean-Loup Chretien along with : A variety of scientific experi-his Soviet counterparts for the ments, including leaving vari-longest period any foreign ons paints and films exposed in

space, will be the third French priority. The cost of taking the equipment supplied for the

expedition.
It will be the third time this "It may not seem long to you," Mr Chretien told a Soviet andience recently, "but for us naut has been on Mir.

# **European spacemen** head for new heights

by the end of the century.

Western Europe has yet to
get into its stride when it cation. comes to manned space explo-ration. The total of six West Europeans who have voyaged beyond the atmosphere pales by comparison with the nearly 200 Soviet and US citizens who

have reached these heights.

Two of ESA's spacefaring team - Mr Ulf Merbold, a German, and Mr Wubbo Ockels of the Netherlands — have entered orbit on US space-shuttle missions. The third, Mr Claude Nicollier of Switzer-land, is still awaiting his first

trip into the cosmos.
Two Frenchmen and two-more Germans have been into orbit, as guests on Soviet and

**SOVIET TRADE** DIRECTORY

approx. 25060 addresses of Soviet enterprises, all industrial branches, with relevant information, £300.00. Orders to: The British-Soviet Lowndes Street, London SW1 or Information Moscow, Leninsky Pr. 45/426, Moscow, 117334 or Flegon Press, 37B, New Cavendish St.

IF YOU have a head for heights and an ability to put up with cramped conditions, Mr Andres Ripoll might like to hear from you.

Mr Ripoll, newly-installed head of the European astronauts office, has been given the job of boosting the presence of Western European citizens in outer space.

Mr Ripoll is employed by the 13-uation European Space Agency, which is developing a 44m orbiting space laboratory for the late 1990s. The Parisbased ESA needs people to volunteer for spells in the laboratory, called Columbus, for up to three months at a time.

This explains why Mr Ripoll has been told to increase ESA's astronaut squad, which now numbers just three, to 40 by the end of the century.

Western Europe has yet to world or 200 miles above it.
Aspiring space travellers
will probably have to be aged
between 30 and 48 and have a
scientific or technical qualifi-

People selected will also have to put up with living in restricted conditions and to cope with a certain amount of boredom. While in orbit they will not have a lot to do besides conducting scientific

Training for the job will take up to four years. Much of this time will be spent in astronaut teaching centres which RSA is setting up in France, West Germany, Bel-gium and the Netherlands – four of the countries which are orting the Columbus proj-

Britain has not been chosen for any of the centres because the country, though a member of ESA, is not supporting the full laboratory scheme but only a small associated part of the project which entails building an observation satel-

The final ground rule for astronaut candidates is that they must come from one of the 13 ESA countries. In a ges-ture of conciliation, Mr Ripoll says that despite the UK Gov-erument's stance over Colum-

# THE AFFORDABLE QUALITY LASER

# PKINIEK FKUM MANNESMANN



FOR FURTHER INFORMATION ON THE EXCITING NEW MT905 AND THE FULL RANGE OF MANNESMANN TALLY PRINTERS,

FREEFONE 0800 444162, TEL: (0734) 788711 or FAX: (0734) 791491.

MANNESMANN TALLY

STRONGEST PRINTER RANGE IN THE

### **EUROPEAN NEWS**

# Berlin thorn blossoms into a financial bonanza for Eastern Europe

Commerce has breached the Wall as the political ice begins to thaw between East and West Germany, reports Leslie Colitt hovered at about DM100m last

LMOST imperceptibly, West Berlin has ceased to be a thorn in the flesh of a rapidly changing

eastern Europe.
Instead, the walled-in city
190km inside East Germany is of growing importance to the surrounding communist countries. Once a symbol of the Cold War, it is heing transformed into a meeting place between east and west.

Although there is no sign that the Berlin Wall is about to disappear, the changes taking

disappear, the changes taking place may one day render it an anachronism.
Tens of thousands of East

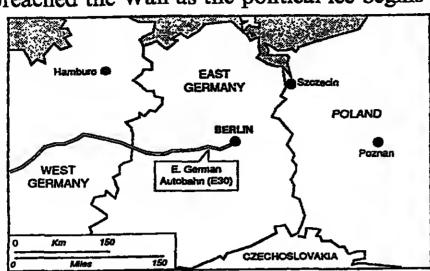
German, Polish and Hungarian visitors to West Berlin are the most striking sign of the city's newly acquired function. Tiny Polski Fiats and charter

huses from Poland disgorge wide-eyed residents of Poznan and Szczecin who descend on West Berlin's electronics and

clothing shops.

Private Polish entrepreneurs, hauling trailers behind their cars, buy materials and parts in the city which are unobtainable at home. In growing numbers, East Germans of all ages are being permitted to visit relatives and

friends in the western sectors of Berlin. Previously only retired East Germans were allowed to visit the West. To the delight of the West



number of young East German emigrants to the West remain in over-aged West Berlin. An influx of ethnic Germans from Poland and parts of the Soviet Union is welcomed for the

Slowly the political\_ice is also beginning to thaw. For the first time since the division of Berlin in 1943 an agreement to establish formal contacts was signed recently by two West Berlin boroughs with adjacent East German communities.

The initial visit to West Berlin's borough of Zehlendorf hy Mr Artur Winkelmann, the

Mayor of Königs Wusterhausen in East Germany, was a strained affair.

During a tour of the borough the mayor was driven past the wall which he attempted to ignore. But at dinner after the recent signing ceremony in West Berlin the jovial Mr Winkelmann kept his Zehlendorf counterpart, Mayor Jürgen Klemann, in stitches with

earthy anecdotes. In the past West Berlin was attacked by the East as an "intelligence agency Eldorado" seeking to eliminate East Germany. Its black market

go green with envy.
Each year East Germany collects nearly DMlhn (\$578m) from West Germany for ser-

There is no sign the Wall will disappear, but changes taking place could render it an anachronism needs components a truck is depatched to West Berlin where the parts are obtained

exchange bnreaux were accused of trying to undermine the East German economy by selling East German marks at four to five times the official

But none of this bothers East Germany any more. It has managed to turn West Berlin into a financial bonanza which makes government officials in other east European countries

vices rendered to West Berlin. The largest sum, DM525m, is paid for the use hy western Autobahn linking West Berlin and West Germany.

Beginning in 1990 Bonn will raise the Autobahn fees to East Berlin to DMS60m annually over a period of 10 years.

East Germany also earns hard currency from West Ber-lin by disposing of its waste and sewage. Starting in 1991 it will earn transit fees from a West German-built electricity

line across its territory which is to supply electric power to West Berlin and East Ger-

An especially lucrative commercial link with West Berlin is the sale by East Germany of petrol and other oil products worth DM369m in the first half

of this year.
Last year East Germany supplied DM1.5bn in goods to West Berlin and hought DM520m

Frequently, when an East German state factory urgently

But it is in the cultural sphere that West Berlin is beginning to assume a role which pre-war Berlin played as the leading cultural bridge from eastern Europe to the

West.
The long suppressed Soviet cinema was "discovered" last year at West Berlin's film festival while a remarkable current exhibit of Latvian avant-garde

exhibit of Latvian avant-gards painting has met with enor-mous popular interest. Similarly, 13 East German artists have exhibited their works in West Berlin and are discussing them each Saturday this month with West Berlin visitors. East Germany, which previously boycotted West Ber-iin's annual Music Festival, took part for the first time this year. The change of beart came after a cultural agreement was signed between East and West

Germany But the most dramatic evidence of the new relationship hetween East Germany and West Berlin was provided at the recent opening of an East German exhibition in the city devoted to Frederick the Great. the Prussian king. Originally shown at his castle of Sans Souci in nearby Potsdam, It symbolically moved to West Berlin's Charlottenburg Castle, the other main residence of



# Your success comes from talking risks. Ours comes from spreading them for you.

Effective risk management in today's volatile market conditions requires close contact with stock markets around the world. Plus a sophisticated analysis of the political and economic pressures that move exchange and interest rates. And a keen eye for investment opportunities broader than the conventional

range of options. It demands, in short, a full-time and thoroughly professional approach.

Your Private Bank Lloyds Bank International Private Banking offers you a complete, confidential service. Plus unlimited access to a personal adviser, your account executive - an experienced professional with whom you can discuss problems or opportunities at any time.

He or she is also part of a banking team with representation in 40 countries and contacts everywhere in the world.

For further information, we invite you to call or visit any of our offices: Cayman, Dubai, Geneva, Gibraltar, Guernsey, Hong Kong, Jersey, London, Luxembourg, Marbella, Miami, Monaco, Nassau, New York, Panama, Zurich or any branch of Lloyds Bank.



Lloyds Bank International Private Banking

## Turkey's growth rate 'will fall to 6 per cent'

By Jim Bodgener in Ankara

within hours.
West Berlin has also become

valuable market for other

a valuable market for other Comecon countries, importing goods worth DM583m last year. Poland, which lies only 80km to the east, was by far the leading supplier, after East Germany, selling construction materials, food and clothing worth nearly DM400m. The Soviet Union wants to boost its

Soviet Union wants to boost its deliveries to West Berlin which

TURKEY'S growth rate will probably fall back to around 6 to 6.5 per cent this year because of slackening demand, Mr Ali Tigrel, the head of the country's State Planning Organisation, told the Financial Times. cial Times.
This compares with forecasts

in the summer by the State Institute of Statistics that growth would stay this year at the overheated level of around 7.2 per cent compared with about 8 per cent last year. The revised downwards

growth forecasts will please Turkey's Western mentors such as the World Bank and the IMF, who have been calling for greater austerity in public expenditure. A hangover of overheated growth from the profligacy of

bedevilled the Government's efforts this year to bring the economy back on course and curb inflation, which reached 86.4 per cent in the year to the end of October. But Mr Tigrel said recent revision of statistics by the SPO had led to the changed 6.5

per cent forecast. From preliminary statistics, growth could fall below 6 per cent this year. Production and consumption data for September and October indicated a continuing

decline in the growth rate, the SPO chief said. However, the Government would have to ensure that it did not fall to far with consequent social and economic damage, he added. But Mr Tigrel also said that the moderation in domestic

production might mean exports could fail to reach the 1988 economic programme's target of around \$12bn by about \$500m.

On the other hand, the dampening of production would also mean imports might be lower that expected.

might be lower that expected, about \$15.2 bn compared with the original \$16 bn target.

Nevertheless, Turkey's cur-rent account deficit would probably narrow far more than the \$555m originally expected this year, because tourism rev-enues were far beyond original

ennes were far beyond original estimates, said Mr Tigrel. According to central bank projections, these amounted to \$1.1 bn in the first eight months of the year.

• A jail sentence of 20 years was handed down on the would-be lone assassin of Mr Turgut Ozal, Turkish Prime Minister, yesterday in an Ankara state security court. But the state prosecutor also did not rule out the possibility that Mr Kartal Demirag might that Mr Kartal Demirag might not have acted alone in his unsuccessful attempt in June.

### Paris bans retouched film

By George Graham in Paris

THE PARIS central court has banned an American cinema group from distributing a recoloured version of the black-and-white film classic,

Asphalt Jungle, in France.
The court said the retouching of the film was a violation of the moral rights of the director, Mr John Huston.
Mr Huston, who died last year, was a vigorous opponent of recolouring black and white films, and in testimony to the US Congress described the pro-cess as "an unjustified public

humiliation" for the artist.

tor better protection in France, where law recognises an author's artistic rights, than in the US, where only ownership rights are recognised.

Recolouring, made economically possible by new computerised processes, has been welcomed by US television companies as a way of relaunching old films for a younger audience.

younger audience.
It has aroused vigorous protests, however, from directors such as Mr Woody Allen, and

The decision gives the director better protection in France,

### What put the Sir in Sir Walter Scott?

It has been commonly assumed that Sir Walter Scott was given his knighthood for to literature.

However, there is a school of thought which is puzzled by his canstant publicising and praising of The Glenlivet single molt whisky. It is mentioned frequently in his writings.

The Glenlivet" was also the Monarch of that time's favourite whisky. It was said "he would drink nothing else".

Is there a connection between these two facts and his knighthood? I believe we should be told.

The Glenlivet® 12 years old single malt whisky.



# Salinas gives debt priority

By Richard Johns in Mexico City

Gortari. Mexico's President-elect, will give priority to rene-gotiating the country's \$103bm external debt when he takes office on December I.

After talks with President-elect George Bush in Houston

After talks with President-elect George Bush in Houston, Texas, on Tuesday, he said on his flight home: "I told Bush we cannot wait... until he takes power to start negotia-tions on the question of the external debt to go the leading transfer of capital and heads transfer of capital and begin our [economic] recovery."

A Control of the Cont

distributed of the control of the co

Hersburg (a

r cent

tid Benenn \*

100

10 10 E

77 4 12 TE

100 350 12

hed fi

A STATE OF THE STA

MR CARLOS Salinas de general strategy next week and said negotiations on the debt problem would begin immediately after the transition of power in Mexico City.

Mr Salinas pointed out the US accounted for 25.8 per cent of the country's public external

A joint communique issued by the Presidents-elect after talks at the National Space Agency recognised the impor-tance of the issue. ur [economic] recovery."

It said an understanding and committed attitude on the part

the deht burden, which this year will consume about \$9bn its servicing obligations, to make possible an annual growth rate of about 5 per cent following six years of stagna-

### Brazilian steel strikers agree return to work

By Ivo Dawnay in Rio de Janeiro STRIKERS at Brazil's historic

Volta Rednnda steel mill agreed to return to work yesterday after the authorities pledged to compensate the fam-ilies of three workers killed by troops during the pay dispute.

A compromise deal between union leaders and the state-owned Companhia Siderurgica Nacional (CSN) brought the 17-day strike to an end when s mass meeting voted to accept a pay offer of a CZ30,OOO (\$54) bonus and an 8 per cent pay

But the gesture of payments to the families of workers line the cost of the CSN mill killed when troops attempted which loses \$400m a year and to evict strikers from the 45-

to undermine budget policy been the clinching factor in

resolving the dispute.
The bloody conflict has been judged by many commentators as playing an important part in the surprise victories of the radical Workers' Party (PT) in municipal elections last week. It was strongly defended, how-ever, by armed forces' chiefs as necessary to defend the

"national patrimony".

Volta Redonda was Brazil's first big industrial plant and has a symbolic place in the history of the country's development.

For others, however, the dispute has only served to under-line the cost of the CSN mill of the US was "essential" if Mexico was to find new formnlas to resume economic

Mr Salinas is believed to be looking for an alleviation of

tion.
Other questions covered during the meeting were trade,
drugs traffic and migrant Mexi-

# State chiefs set

EFFORTS of the Brazilian Government to balance its budget in 1989 look set to be undermined by a lobby of powerful state governors, already near breaking ties with President José Sarney's administration, writes our Rio de Janeiro cor-

The governors, members of the Brazilian Democratic Movement (PMDB), are resisting a demand by Mr Mailson da Nobrega, the finance minister, to honour 25 per cent of the interest and principal due on their foreign debts. Governors are all but threatening to the present of the present to the pres stop payments to the national treasury. Behind the row lies concern in the PMDB at the scale of its defeat in last week's municipal polls, largely at the hands of left-wing parties.

# Scowcroft: the defence expert with a behind-the-scenes style

WHEN President-elect George Bush began his search for a national security adviser, it is a fair bet that Lt. Gen. Brent. Scowcroft was at the top of the

An acknowledged expert on foreign and defence issues, Gen Scowcroft, who has retired from the army, will start work at the White House with an important advantage: he has already served once before as national security adviser under President Gerald Ford from

Gen Scowcroft also had an inside look at the national security lob last year when he served on a three-member blue-ribbon panel investigating the Iran-Contra arms-for-hostages scandal. He and former Senator John Tower - who is still in the running as Mr tary - contributed to a scathwithin the White Honse national security machinery.

Gen Scowcroft is often spoken of as a model national security adviser. Fluent in Russian and a PhD in international relations from Columbia University, he restricted his role to co-ordinating advice from the bureaucracy and help-ing the President to devise and original intent of the 1947 law security apparatus to serve the Lionel Barber profiles the new US national security adviser

modern presidency.

His quiet, behind the scenes role contrasted with that of his old chief, Dr Henry Kissinger, who became the globe-trotting super-diplomat able to wrest control of foreign policy from the US State Department. Under President Reagan, the

Under President Reagan, the post of national security adviser has been more of an elector seat than a hot seat at by President Ford in 1974. the centre of government. In the last eight years, Mr Reagan has had no fewer than six difleft under ethical clouds and most of whom fell victim to hitter infighting between the State Department and the Pen-

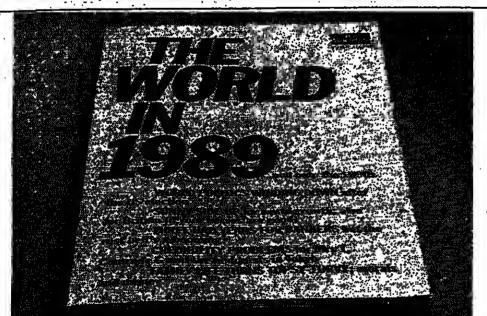
In the Iran-Contra scandal, Rear Admiral John Poindexter conducted a ssries of undercover operations aimed at hy-passing Congressional laws. The most blatant example was the supply of arms to Contra rebels in Nicaragua using the profits of arms sales to Iran.: Mr Poindexter, along with a senior White House aide, Lt Col Oliver North, has been indicted on frand and

conspiracy charges.
In the past 12 months, a measure of order has developed in the White House with Lt Gen Colin Powell winning high marks for co-ordinating, rather than running, foreign policy. Gen Powell, who is black, is expected to return to a high command in the US Army and is a candidate for the chairman of the Joint Chiefs of Staff in

the early 1990s. Gen Scowcroft is expected to provide an important voice in the area of arms control. He was Dr Kissinger's key official

In 1983, President Reagan named him to head a new hipartisan commission on stramended supplementing the MX missile arsenal and developing small, mobile-warhead mis-siles. The recommendations were not fully endorsed, and a decision on how best to mod-emise the land-based strategic

lent marksman who keeps fit playing golf, tennis and skiing. is deceptive for as he admitted in an interview last year, he is



# Don't say we didn't warn you.

How long before the electorate tires of Mrs. T? Why will a weak American President be good for world peace? How likely is the threat of 15% interest

If you're wondering what shape the world will be in the next decade, get hold of a copy of "The World in 1989."

It's brimming with prophecies, predictions, insights and analysis, contributed by the witty, the wise and the well-informed from all walks of life.

You'll find "The World in 1989" enlightening, entertaining and on sale from all far - sighted newsagents and news- Economist



### Peruvian fiscal plan doubles food prices

By Veronica Baruffati

THE Peruvian Government has amnounced s series of austerity measures that more than dou-ble the prices of basic food and petrol and devalues the Peru-

petrol and devalues the reru-vian inti by 50 per cent. In an address to the nation on Tuesday night, Mr Ahel Salinas, Peru's Finance Minis-ter, outlined the long-awaited economic, fiscal and tax plan aimed at solving the country's lack of hard currency, its rising inflation rate and a fiscal deficit caused by huge food subsidies subsidies.

The main points are:

The elimination of subsidies for food over the next six months, with the price of food donbling immediately.

The inti's official exchange rate is to be devalued from 250 intis per dollar to 500 per dollar to boost exports and bring in badly needed dollars.

To offset the measures'

impact on the poor, the Gov-ernment has decreed an increase in the monthly minimum wage from 15,000 to

However, Peruvian banking officials and economists are criticising the programme as incomplete and doomed to fail-

Mr Manuel Moreyra, the former Central Bank president, described the measures as "an immense, incoherent economic package, which could endanger democracy. He went on to say that Mr Salinas had been forced to dictate these unpopular measures "against his own conviction", because the more severe plan originally pres-ented by the Finance Minister and his team had been watered down by President Alan Gar-

# Lima's day of disaster heralds austerity for all

Veronica Barufatti on a day to be forgotten

HE Peruvian Finance Minister's address to the nation was the perfect ending to a day of electricity power cuts, contaminated water supplies, terrorist attacks, food shortages and endless queues.

Tuesday, November 22 is unlikely to be forgotten in a hurry by Lima's 6m inhabitants. The Government will remember it as the day unpopular economic measures were announced; the police, as the day the Tupa Amaru revolutionary movement sent twn mortars through the Prefecture of Lima which houses Dircote, the anti-terrorist police divi-

Sendero Luminoso guerrillas will remember it as the day they hlacked out the whole country from Chiclayo in the north to Marcona in the south hy blowing up 10 electricity pylons; the water board, as the day Lima's water supply was contaminated by methane gases and nitrates disturbed on the floor of s reservoir hy a sudden inflow of water to the dangerously low water level. The haves will remember it as the day they had no electricity or clean water at home and had to queue for petrol; the have-nots, as the day they had to fight to get to work because of the transport strike.

A drive through Lima on Tuesday reflected the crisis the country is experiencing. The non-striking productive sector and offices came to a standstill because of the lack of electricity supply. Striking miners, textile workers, the judiciary, the Ministry of Public Works, transport workers

and a variety of smaller groups demonstrated throughout the city with demands for higher wages and better living condiMarket places were s hotbed of irate housewives trying to buy food; supermarkets were in chaos because of the power cuts and refrigerated section began to smell as rotten as the political climate. Garages which generate their own elec-

which generate their own elec-tricity were running dry as vehicles queued to buy their last cheap petrol.

At 10pm, when most people were at home in candlelight, Mr Ahel Salinas, Peru's Finance Minister, released the Government's economic plans for the next six munths. The for the next six munths. The Government describes these measures as a complement to the original September 6 programme, already corrected nnce when the Government lifted the 120-day price freeze.

Mr Salinas confessed that one of the Government's main preoccupations in elaborating the programme released on Tuesday evening was "to ensure that the purchasing power of the poorer segments of the population is not further

reduced."
This is a blatant contradiction of the facts. Even before these measures were announced, many Peruvians were struggling to make ends meet. It requires only hasic arithmetic to calculate that if prices have increased on average 150 per cent, and wages only 60 per cent, people will be much warse off now than

Yesterday most of Lima remained without electricity and with contaminated, foul-smelling water supplies. Many shops remained closed, partly because of the power cuts and

partly to change their prices.

Despite the authorised price increases, food shortages continne. Frustrated shoppers queue from 4am to buy hread, milk, rice, sugar and oil. There are very few cars on the road and shrewd taxi drivers are charging the earth for a bumpy

ride downtown.

There is an eerie feeling that the silence that reigned in Lima yesterday morning may be the lull before a storm of

Outside Lima, agricultural workers are protesting that the state is not paying them promptly for their rice, sugar and potato crops. One group of rice growers in the department of San Martin has even threat-ened to switch all their rice production to the more lucra-tive crop of coca leaves if the Government does not pay them a prompt fair price for their produce. They feel neglected and underpaid compared with the neighbouring coca leaf producers, who have ready cash to buy insecticides and other supplies whose cost has increased 3,000 per cent since August. Sendero Luminoso attacks

have increased sharply throughout the country with 50 dead already this week and the power cut which crippled the country's production. The revo-lotionary movement called for a 48-hour strike in Ayacucho this week and proceeded to attack four establishments which did not support the strike. Despite police assurances guaranteeing the safety of those who went to work no-one dared step outside their home. Ayacucho was reported to be like s ghost town. There was no public transport nor private cars on the streets: shops and markets remained

closed and government offices showed no sign of life. Meanwhile the miners' strike continues into its 40th day with no solution in sight. The two miners' strikes this year have cost the country over \$350m in lost export revenue.

### **Argentine** airline deal with SAS attacked

By Gary Mead in **Buenos Aires** 

MR Hector Pedro Fassi. Argentina's Procurator Fiscal, has criticised a deal to sell 40 per cent of Aerolineas Argentinas, the national airline, to Scandinavian Airline Systems.
As the Treasury's senior legal adviser his view that the deal — which was signed in August — is unconstitutional, throws into further doubt Argorius's most president. Argentina's most prominent attempt to sell part of a staterun company tn foreign inves

tors. His opinion is contained in a signed memorandum leaked to the press yesterday and dated October 19. The memo, sent to President Raul Alinnsin, criticises several points of the pro-posed deal, which is now befure the Senate or Upper Husse of Congress.

If Congress fails to approve it before December 15, SAS bas the right to withdraw its offer. The opposition Peronist party. which bolds a majority in the Senate, has frequently indicated its intention of repudiat-

ing the agreement.

Describing the method by which SAS was selected as future partner as "manifestly unconstitutional", the memo singles ont the failure to call

for competing tenders. Mr Rodolfo Terragun, Minis-ter of Public Works and the Government's leading campaigner for selling off parts of Argentina's state sector, nego-tiated with SAS. He has defended his refusal to call for tenders by arguing that Aerolineas sought a partner, not a hnyer. The memo adds that Argentine legislation prohibits the transfer of commercial sviation rights of the national airline to foreign capital.



# A seasonal message to all motorway drivers.

ead between the signs and the message is clear. Avoid motorway travel during the winter.

Far better to make the short journey to your local airport and let Air UK carry you the rest of the way.

Skylink single fares*
£36
£36
£36
£30
£30
£30

\*Skylink seats are available at the discretion of the airline.

Yes, of course it's a great idea. In fact, more and more people are using Air UK to travel around the country, and when you look at our fares table you'll see why.

Also, no other airline offers quite

the choice of regional destinations from departure points Humberside, Leeds/Bradford, Newcastle & Teesside.

So, if the thought of chauffeur driven transport that can cruise at 250 m.p.h. and is unaffected by road conditions appeals to you, phone us on Linkline 0345 666 777 (for the price of a local call) or



contact your travel agent.

# Now is the winter of Somali's urban discontent

Civil war has imposed severe economic and social hardships, reports our Special Correspondent

FTER a 19-year reign, President Sayyid Barre of Somali is experienc-ing growing discontent in the urban population of the capi-tal, Mogadishu, as well as a continuation of civil war in the country's north-western

On November 2, the first spontaneous anti-government demonstration in 19 years brought more than 1,000 people onto the streets. The effect on the city, which brought Mogadisbu to a standstill, was in marked contrast to this years' visibly poor and reluctant attendance at the Government's own annual October 21 celebrations to mark the revo-lution which brought President

Barre to power.

The demonstration was initiated by 300 Somali ex-prisoners of war who were repatriated from Ethiopia in August under the terms of the Ethiopian-Somali peace agreement signed

in April. Imprisoned during the Oga-den border dispute of 1977, the ex-prisoners have continued to live a life of confinement in their own country, boused at Halane Military camp. The exprisoners managed to march as far as Parliament Hill before being stopped by police and military. They charged the Government with making no attempt to belp them resume a

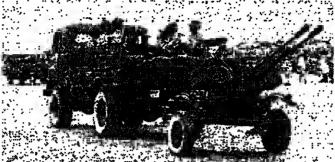
The more general discontent which encouraged many people to join them en route despite the danger of severe reprisals, is a direct result of the eco-nomic and social hardships suffered across the nation since the outbreak of civil war in May.

During the last month infla-tion has soared and disruption of trade in the north has more than tripled the prices of basic commodities such as malze and sugar. Detention without trial and daily harassment from the ubiquitous National Security Services (NSS) continues to increase tension in the capital, while night-time snatching of young men for enforced military recruitment has provoked widespread fear and resent-

President Barre has continued to receive international criticism on human rights standards since June, when his government bombed civilian areas of the main northern town, Hargeisa. At least one-third of the town was destroyed and an estimated 30,000 civilians fled to neigh-

bouring Ethiopia. News of the war is effectively censored in the capital, but the arrival in Mogadishu of at least one military plane full of wounded soldiers every week indicates the fighting

Medical teams in the five



An artillery unit parades in the October celebrations marking the anniversary of the Somalian revolution exclusively of the northern

Economically, the north has

always held a strategic advan-tage with its coast running aiong the Gulf of Aden and a

along the Guit of Aden and a lucrative trading history with the neighbouring Arab states. Since 1969, when President Barre came to power, the Issags have increesingly resented the disproportionate political and economic gains

made by the president's minor-

During the May assault on Hargeisa and Burao, an esti-mated force of about 5,000 SNM

successfully seized uniforms,

guns, tanks and ammunition

from government forces. More than 5,000 people were said to have died in the assault, although the SNM claims to

have cleared an evacuation

ity nomadic southern clan.

hospitals which receive the soldiers express concern for the fate of non-military patients in the north and say the numbers and condition of the wounded soldiers suggest not all the mil-itary casualties are arriving. The Government continues

to deny the international Red Cross team access to the north-ern regions and they are due to pull out at the end of the month if negotiations continue

The roots of the present con-flict in the country originally lie in the pre-independence division of a British administered north and an Italian-administered south.

The conflict now follows a

course of strong ethnic allegiances, however, with the rebel Somali National Movement (SNM) composed almost

the town for civilians.
During the comparative full in fighting over the last few months, the SNM is rumoured to have recruited and trained thousands of dispossessed Isaaqs, and are launching spo-radic attacks from across the

funnel" through one area of

Ethiopian border.

In response, according to witnesses of aid representatives who have visited the area, the Government has distributed area, the Government has distributed area. tributed arms to refugee camps in the region and co-opted sup-

port from the Ogađeni people.

The Ethlopian refugees, who rely on the Government for their refugee status, are now willing to assert territorial rights over land they have occupied since 1977.

occupied since 1977.
Until recently, tight government censorship on all internal communication has effectively prevented detailed reports of events in the north reaching the ears of people in the capital. But during the last month, censorship has been counteracted by a large influx of Isaaq businessmen and young men businessmen and young men arriving from the north with direct personal accounts of the conflict.

Men who have lost entire businesses in the destruction of Hargelsa are now travelling to the capital by foot and road, after first ensuring the safety of their families in Ethiopia, to

Similarly, an increasing number of young men are arriving in Mogadishn flesing arriving in Mogadishn fleeing the mannower demands of both forces. Unwilling to join the fight, they now join the swelling ranks of unemployed who fill the streets with no real prospect of a wage but every likelihood of arrest and harassment from the NSS.

President Barre is calling on

ment from the NSS.

President Barre is calling on civilians to return to Hargeisa and for aid agencies to assist in reconstruction of the damage. International agencies who have been asked to assist with water supply, shelter, transport and health, are in a dilemma about the role they

should play in assisting the Government.
Individual accounts of aid representatives who have toured Hargeisa, Burso, and Borama vary in their personal assessment of the damage.
Some claim figures have been

greatly exaggerated for the purposes of attracting aid. Others say official tours are staged to keep people from seeing the real conditions. Britain and the US have con-

demned President Barre hut imposed no aid sanctions. The West maintains a strategic interest in Somalia because of its position on the Gulf, and US in particular is concerned to retain its military bases at the main northern

# Egyptian arms debt repayment deadline worries US officials

By Tony Walker in Cairo

US OFFICIALS are voicing disquiet over lack of progress in Cairo's IMF negotiations because of fears that further delay may preclude a second orderly debt rescheduling.

They warn of the problems that would arise if Egypt falls more than 12 months behind in renavments on about \$55m in

repayments on about \$5bn in loans for American military equipment. If that were to happen it would trigger the Brooke amendment which makes it mandatory for almost all assis-tance – military and civil – to be suspended.

Such a development would cause a crisis in relations at a cause a crisis in relations at a time when Egypt is facing increasing economic difficulties because of higher world commodity prices, lower returns from its oil exports because of the soft international parient and a source of tional market and a squeeze on

tional market and a squeeze on new credit. The US provides Egypt with some \$2.3bn annually in military and civil aid. US officials say that July 15, 1989 is the critical date on which Egypt will be obliged to resume military debt payments if it is to "escape Brooke." il's like there's no lag time left," said an official. "They will have to be dead regular."

Egyptian officials say that

they are well aware of their obligations under the provi-sions of the congressional amendment attached annually to appropriation bills. How-ever, US officials worry that in the absence of a second Paris Club rescheduling repayments on American military debt of more than \$500m a near will prove too burdensome for foreign-exchange starved Egypt whose external deht exceeds

Desultory IMF negotiations on a replacement programme for one that collapsed late last year after Egypt failed to meet liberal performance targets appear to be making little headway. An IMF technical team visited Egypt earlier this month, hut no substantial negotiations are planned soon.

Egypt requires an IMF programme to go back to the Paris Club for a re-scheduling of some \$4bn of government and government-guaranteed debt falling due between July, 1988 and January 1990. Its first rescheduling of about \$8bn covered arrears and debt due for payment between January 1987 and June 1998.

Heightened US anxiety about Egypt's glacial progress towards an IMF agreement follow statements by Dr Shak-

low statements by Dr Shak-bour Shaalan, the Egyptian-born director of the IMF's Middle East bureau, highly critical of Cairo's approach to eco-nomic reform. "Egypt," he declared, in an unusually frank declared, in an unusually frank interview with Al Ahram, the Cairo daily, "is like an employee who earns £100 a month, but spends £122." Dr Shaalan urged quicker action to reduce subsidies and the budget deficit. He predicted that that Egypt's balance payments shortfall this financial wear would reach \$1.5hm comyear would reach \$1.5bn com-pared with less than \$1bn in

Government officials say that fears of social unrest at a time of price rises of some 30 per cent in the past year explain reluctance to embark on reforms of the pricing sys-

Meanwhile. Egyptian officials say that the Government has begun a further comprehensive review of the economy in an effort to reach a compromise with the IMF. The fund is demanding that Egypt reducation hudget deficit, push ahead with exchange rate reforms. with exchange rate reforms begun more than a year ago, raise energy prices and liberalise interest rates on bank

The Government review follows economic austeritiy measures announced last month by President Mubarak aimed at conserving scarce foreign exchange. The steps, which included restrictions on foreign travel for officials, were largely

### Unita vows to continue fight

despite accord continue its guerrilla war despite a peace accord reached last week between Angola,

Cuba and South Africa, Reuter reports from Lisbon. In its most comprehensive statement to date on the peace agreement, Unita said no end was possible to Angola's 13-year civil war without its support. The rebel group pledged to continue the guerrilla war until the Luanda Government holds talks with Mr Jonas Sav-imbl, its leader.

A special congress held last week decided "to continue the armed struggle for peace," the statement said.

A senior Angolan official also said yesterday Angola will not lay down arms until the independence process for Namibia has begun and Angola's security is guaran-

Mr Pauline Pinto Joao, gov-ernment spokesman, said the UN independence plan for the South African-ruled territory was the central factor in the

### Arafat and US at odds over visa to visit UN

UNITA, Angolan rebel CONFUSION still surrounds chairman of the Palestine Lib-eration Organisation, will be granted an entry visa by the

United States to visit the UN, AP reports from Tunis. Mr Arafat, visiting North Yemen yesterday, said that he had learned through an Egyp-tian official that he had been granted the visa.

In Washington, US State Department officials said that moderate Arab states, including Egypt, had requested that the visa be granted but they said none of the countries had received indications of a favor-

able response.

Palestine, declared a state by the PLO on November 15, will ask for memhership in the United Nations, the PLO said in Tunis, the organisation's

political headquarters.
Mr Farouk Kadoumi, head of
the PLO's political department, said on Tuesday night that the request would be made by Mr Arafat when he speaks to the UN General Assembly. Some 55 nations have recognised an independent Palestinian state.

### Palestine's olive oil finds a political role in Israel By Andrew Whitley in Jerusalem

PALESTINIAN travellers crossing the Allemby Bridge, to visit relatives in Jordan or the Gulf, often used to take a lifte or so of freshly pressed olive oil as a gift.

oil as a gift.

Today, even such small quantities are confiscated by the Jordanian border guards, under orders not to permit a drop of the viscous green liquid over the river. The closing of the largest market for the West Bank's most valuable agricultural product is hitting Palestinians hard.

The clive picking and pressing season is approaching its end, and rueful growers estimate that this year they will be left with an enormous unsold surplus of about 20,000

De left with an enormous unsold surplus of about 20,000 tonnes, worth tens of millions of dollars.

Stepping into the breach with a timely offer of assistance is the Israeli military-run Civil Administration for the West Bank. On Sunday, Mr Shmuel Goren, an old Mossad boss who currently runs the boss who currently runs the Civil Administration, met a group of 15 olive oil exporters group of 15 olive oil exporters in Ramallah, north of Jerusalem, to discuss the problem. Israel, he said, was prepared to help in finding other markets, to save this important local industry.

The European Community was mentioned as one possibility, now that Brussels has extended duty-free privileges to goods from the occupied territories. Mr Goren offered to talk to Egyptian and Community officials about their tak-

ing some of the Palestinian oil; though given its high cost, and the EC's own surpluses, this initiative may not hear fruit. The Israeli authorities added that they were ready to provide travel permits to enable the exporters — most of them political "trustees" — to search for markets elsewhere in the

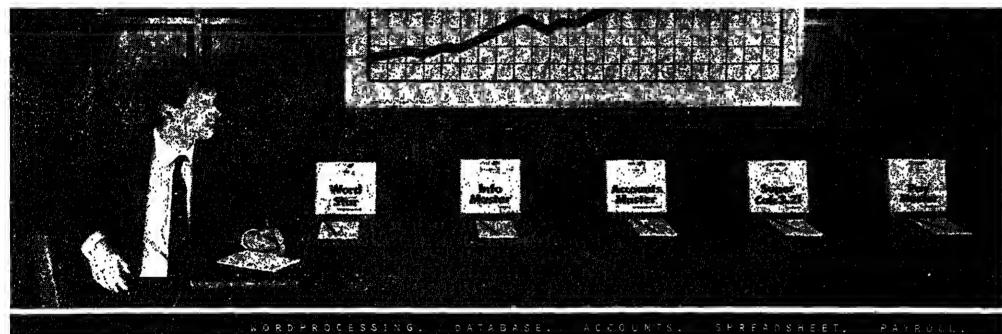
for markets elsewhere in the Arab world.

But, beware Greeks (or Israel's) bearing gifts. One of Israel's main concerns at present, particularly in the wake of the Palestine National Council's declaration of an independent Palestinian state, is to block attempts by the PLO to set up their own grassroots administration in the roots administration in the West Bank and Gaza Strip. PLO sympathisers have made clear for months that

one of their main vehicles for a rudimentary administration is the existing agricultural cooperative and marketing set-up. And a subterraneau struggle for control of these institutions, between pro-PLO and pro-Jordanian figures, is already underway.

The international implications stem from the links these

tions stem from the links these bodies maintain with foreign governments and aid agencies. such as the United Nations Development Programme, The Civil Administration head thus spelled out Israel's refusal to permit a take-over of the West Bank's export business by identifiable PLO sympathisers. Such a develop-ment could lead to an outright ban on exports.



If you're going to build a successful business you'll need something more than your own talent.

Sooner or later you'll need to find a dedicated and highly qualified team to work tirelessly on your behalf. Which could, of course, cost a lot of money.

Or you could get them from your local Amstrad® stockist.

Because a PC loaded with Amstrad software gives you instant access to the brilliance that has made Amstrad the No 1 software brand in the UK.

All within a price range that starts at £49 and never exceeds £149 (except for the VAT). Every time you buy an Amstrad software package you'll get both 3.5" and 5.25" discs. And needless to say they can be used with any IBM compatible PC.

You can take care of your database needs with Amstrad Infomaster. A flexible information store that is incredibly quick and simple to use.

Or equip yourself with one of the country's most popular wordprocessing software packages: Wordstar Express.

And if you need a spreadsheet program, Supercalc 3.21 will allow you to make endless financial calculations and forecasts and present them in brilliant graphic form.

All famous names, yet in each case you'll pay only £69 + VAT.

It'll also pay you to have Amstrad PayMaster on your staff. It'll make short work of your payroll, tax, National Insurance, overtime and even holidays (though it won't take one itself) for only £49 + VAT.

And for just £149 + VAT you can have Amstrad AccountsMaster. The comprehensive, easy to use accountancy system.

As your business expands (as it surely must) you'll find that the multi-user versions Accounts-Master LAN, Supercalc 4 LAN and Wordstar-AMS LAN can be used by your new people as you upgrade to a network system.

It's something to look forward to, and with Amstrad software you can bring it a little nearer.

Сотрапу		
Address	<del></del>	
Postcode	Tei	FT
AMSTRAD S Amstrad plc. PO Box 462, Bre Telephone: (0277) 262326.	OFTWARE entwood, Essex CM14 4EF	AMSTRA

correct at 1.9.88 but may change without notice. Products subject to availability. Software

subject to licence. Amstrad is a registered trademark of Amstrad pic. @ 1988 Ametrad pic.

All rights reserved. Call 0277 230222 for details of your local registered A

### **OVERSEAS NEWS**

# Bhutto attacks delay in naming prime minister By Christina Lamb in Islamabad

MISS BENAZIR BHUTTO, leader of Pakistan's People's Party, has warned the President that the delay in nominating a prime minister is "both unfair and unconstitutional".

The PPP emerged from last week's general elections as the largest political party, and in her first meeting with the President, Miss Bhutto urged him to make her Prime Minister: "Although every effort was

"Although every effort was made to deny us victory, the made to deny us victory, the voters have given a clear message for the PPP, while all those associated with the previous regime suffered defeats. As leader of the country's only national party and the single largest, I should be called upon immediately to form a government. Any delay can only crement. Any delay can only create mistrust and uncertainty."

In his meeting with the President, Mr Nawaz Sharif, Miss Bbutto's rival and Punjah Chief Minister and leader of the Islamic Democratic Alliance, said no prime minister should be appointed until one side had demonstrated its majority on the floor. "A simple lead in the number of seats does not constitute a majority and to name a prime minister before the assembly convenes would be to create a contrived

Miss Bhutto accused Mr Sharif and her opponents in the caretaker government of wanting time to use official machinery to intimidate inde-pendents in an attempt to form a majority before the new assembly meets on December 5. She also charged them with spreading propaganda that a PPP Government would engage in vengeance and demotions

within the army.

In the course of their two-hour meeting, Mr Ghulam
Ishaq Khan, the acting President, told Miss Bhutto that he did not intend to nominate a prime minister until after the assembly had been convened and elections held for Speaker and the aeats reserved for

Miss Bhutto told journalists that she had advised the President "not to delay calling on her to be prime minister as this would give long rope to unscrapulous elements to contime using police superinten-dents, deputy commissioners and other official machinery to a government."

Miss Bhutto and Mr Sharif also each held meetings with Gen. Aslam Beg, the Chief of Army Staff. Although neither would say more than that they coerce elected independents into joining the IDA". Mr Farid Jadoon, an independent, revealed that since the election. he has received daily telephone would say more than that they calls from the IDA, offering discussed the "prevailing polithim ministries and "making ical attuation", Gen Beg is

i and ii

OVISIT

istac



mazir Bhutto pictured at her press conference yesterday.

thought to have told Mr Sharif Mr Ishaq promised to investithat he would support Miss Bhutto as prime minister, but gate Miss Bhutto's charges and spent yesterday in consulta-tions with Mr Wasim Sajiad, the Law Minister, Mr Aziz Munshi, the Attorney General, and Mr Yahya Buktiar, a PPP Mr Sharif in the provincial assemblies, where the IDA fared slightly better, securing a majority in the largest province, Punjab, and ahead of the lawyer, to discuss whether a prime minister should be PPP in Baluchistan and the appointed before the assembly meets. The Constitution is not Miss Bhutto later commented that ahe donhted whether the IDA would be able clear on the issue but Mr to control a single provincial assembly, "despite the time being given to Nawaz Sharif to retrieve his position." Wasim Sajjad, an IDA member,

EN YEARS ago the Gov-ernment would not even have acknowledged the problem," eays Mr Sarwono Kusumaatmadja, Indonesia's Minister for Administrative Reform and the man entrusted

to stamp out corruption in the country's bloated but poorly financed public sector. It is an immense task. The state bureaucracy is not only the country's largest employer, but traditionally has been the career of preference for the nation'e educated class.

Mr Sarwono has to challenge the set more of sevents.

the set ways of some 4m rank and file, who have suffered three years without a pay rise. He also has to run the gauntlet of a patronage system which has long been Indonesia's political bedrock.

"We're talking about power-ful personalities, who have been working in the Government for years," says Mr Sar-wono from his office in the State Secretariat, the concrete hub of Indonesia's vast state apparatus. "Short of a revolution there's nothing we can

Mr Sarwono does not promise instant results, given the size and the deep-seated conservatism of the public sector. For one thing his ministry has no independent budget. Still, the signs are encouraging. The Government recently

sacked the entire board of Per-umtel, the state telecommunications giant, a powerful body in a country where the supply of services rarely meets the

Indonesia tackles sea of corruption

Tax officials are being brought to trial almost daily on embezziement and frand charges. Even the security ser-vices are under scrutiny, with Jakarta police announcing ear-lier this year that 483 officers had been detained on charges of murder, extortion, and pro-tecting gambless

of murder, extortion, and pro-tecting gamblers.

"We have to inculcate a aense of responsibility, accountability and a commit-ment to more professionalism." says Mr Sarwono, choosing his words carefully. "We have no choice. We're not getting richer. In fact we're getting poorer."

poorer."
As Indonesia's oil revenues fall, so the need for reform hecomes that much more acute. By some accounts corruption now absorbs as much as 30 per cent of the state annual budget. "That's 30 per cent too much," says Mr Sar-

The big brush has already been taken to the customs department, hringing in Société Générale de Surveillance, the Swiss consultants, to aort out one of the most notorious arms of the civil

This week the Government took a stab at reducing the privilege of private trading houses with the abolition of a monopoly on plastics, hitherto enjoyed by Bimantara, a company owned by a son of President Suharto. These reforms are mirrored by broader social changes. Private consumer groups are now emboldened to criticise officials.

But the problems, as Mr Sarwono concedes, are not going to be solved overnight. Unlike neighbour-ing Malaysia, Indonesia has no tradition of an independent judiciary.

Many people have little con-fidence in the rule of law. Mr Ismael Saleh, the Justice Min-ister, actually conceded that perhaps 30 of his judges were

corrupt. Businessmen, meanwhile, say kickbacks are customary in winning government orders, which in Indonesia are still the main interest for both domes-tic and foreign suppliers. The newcomer soon learns that "best price" is not always enough to win public con-

More depressingly, many Indonesians have come to accept that public policy is often little more than the pri-vate interest of a few powerful individuals. A recent dispute

John Murray Brown on an assault upon a powerful bureaucracy with Japan over allocation from an aluminium joint venture appears to be little more than a move by a top official of anindonesian company to secure supplies for his own private casting house.

Economists were equally critical of the monopoly on the

Economists were equally critical of the monopoly on the import of plastics given that Indonesia has no downstream industry to protect. "That story is now over," said Mr Radius Prawiro, the Economics Co-ordinating Minister, announcing the changes this week.

week.

Mr Sarwono is sponsoring a new law on public administration, which aims to counter abuses of power. "The idea of public service is something quite new in Indonesia. Here, if you're a public servant, the public is supposed to serve you, not the other way around," says Mr Sarwono.

Many Indonesians hope the Government will go further in

Many indonesians note the Government will go further in attacking the abuse of official privilege, introducing antitrust legislation, and forcing politicians to declare their financial interests.

There is some evidence President Suharto is supporting the reforms. Last year, in an unusual move he publicly rejected charges of embezzle-ment against a charitable fund run by his wife, promising a full financial inquiry.

### **UN Afghan** mediator to be replaced

THE UN envoy who mediated the Soviet withdrawal from Afghanistan is likely to be replaced in talks aimed at reconciling the Kabul Government and Afghan guerrillas, Mr Javier Perez de Cuellar, the Secretary-General, was quoted yesterday as saying, Reuter reports from London.

He was reported as saying he would take an active role in efforts to end lighting and to create an interim government acceptable to all. Asked if Mr Diego Cordovez, the UN special representative, would be replaced in the internal settlement talks, be replied: "Yes, I think so." He said Mr Cordovez would continue overseeing the withdrawal of Soviet troops and other aspects of the Afghan agreement.

Mr Cordovez, who resigned from his UN post at the Office of Special Political Affairs earlier this year to become For-eign Minister of Ecuador, mediated an accord in Geneva in April paving the way for a Soviet pullout from Afghan-

Mr Cordovez has come under heavy criticism from some radical Afghan guerrilla leaders and has failed to reconcile rival rebel factions or get them to agree to an interim govern-ment with the Kabul authori-

# Manila hit by third day of transport strike

POLICE arrested a transport union leader and five others yesterday as drivers of passen-ger jeeps struck for a third straight day after President Corazon Agnino rejected demands for price cuts and a freeze on fare reductions, AP

writes from Manila.

Police said an undetermined number of drivers stayed off work in the capital yesterday but that the disruption was less than on Monday, when the strike stranded thousands of commuters in Manila and

A few drivers also had remained on strike on Tuesday in northern districts of Manila. Jeeps are the main form of land transport in the Philip-

Police said Mr Deogracias
Espiritu, secretary-general of
Piston, a drivere association,
was arrested before dawn yesterday and would be charged
with inciting sedition. Officials
said the strike leaders had made inflammatory anti-gov-ernment statements.

On Tuesday, Mr Espiritu-threatened to broaden the walk-out and accused the Government of stalling on drivers'

demands. Mr Espiritu was the second Piston leader arrested this week. Mr Medardo Roda, association president, was

argues that a prime minister cannot be nominated until the

women and Speaker have been elected. "Being a firm believer in the Constitution the President should not even think of short-circuiting the

Both Mr Sharif and Miss Bhutto claim they have a majority although neither pro-

vided a list of names to the President. Miss Bhutto, whose

party won 93 national seats compared to the IDA's 55, seems more confident. "I dem-onstrated to the President that

even if the IDA picked up

every single independent they cannot form a majority." She added: "The PPP would have had a far larger majority if there had not been selective

rigging in Punjab and if voters had not needed identity

She charged: "The delay is a game being played at the national expense just to save one provincial chief minister.

It is the constitutional, demo-cratic, moral and legal right for the PPP to be called on to form

arrested on Monday and also charged with inciting sedition. Brig Gen Alexander Aguirre, commander of the Philippine Constabulary's Capital Com-mand, said he ordered the arrest of strike leaders who allegedly pressured other jeep drivers to join the walk-out. "If we have ordered the arrest of striking drivers who harass non-striking drivers, then we should also arrest the leaders since these drivers are just fol-

since these drivers are just following orders."

Elementary and high schools in Manila were closed yesterday in anticipation of the strike. Reporters said there were fewer jeeps than normal operating in central city districts of Santa Mesa and Quiapo but that there were no serious delays for commuters. On Tuesday, Mrs Aquino met representatives of the transport industry and promised to set up a commission to study drivers' complaints. She said the commission would complete its study within 30 complete its study within 30 days.













The Touche Rosa Guide to Busineaa Reaponsiveneas

### 75. Having the hat for every occasion.

The more companies grow and diversify, the greater their needs.

Advisors, especially, must wear more and different hats - and adapt to change. Or founder.

At Touche Ross, <u>BAA plc</u> have seen how. well we fit. In 1966, we were appointed BAA's auditors. Annual passenger throughput at Heathrow, Gatwick and Stansted was 16 million then. Today it is 53.6 million.

In addition to remaining BAA's auditors, we have been their tax advisors throughout.

We advised BAA during the purchase of

Edinburgh, Aberdeen and Glasgow airports. Helped them against litigation over landing charges. And played an important role in preparing BAA for privatisation in 1987.

BAA's retailing and commercial division (running duty free shops and leasing premises to banks, newsagents, etc.) has frequently involved Touche Ross Management Consultants, who have also advised BAA on their airport management information systems.

We've helped BAA in their acquisition of a quoted property company, and are advising them on their future hotel operations too.

So if you're a concern brimming with ideas for growth, why not try us for size? Simply get in touch.

Please telephone or write to Geoffrey Parker at our London office. You'll find us very responsive to the business problems you face.

For the sure touch, get in Touche.

## U Nu party registers for general election in Burma

THE POLITICAL party of U
Nu, the former Burmese Prime
Minister, has registered to contest general elections, bringing to 143 the number of parties officially recognised by the military government. itery government, a state-owned newspaper said yesterday, AP reports from Rangoon. But U Nn's name was not on the list of office holders of his League for Democracy and Peace when it registered on Tuesday at the Election Com-mission, the Working People's Daily said.

Since U Nu earlier announced he would beycott the proposed elections and warned that those who participated would be regarded as "traitors", it was not clear that the statement of the statement

whether the league registered with his approval.

After seizing power on Sep-tember 18 and crushing nation-wide pro-democracy demonstrations, the government of Gen Saw Maung announced dhi Savetsila, the Foreign Min-general elections would be held ister, as saying "If we push and opened registration for them back now, they could be political parties. But no date killed."

was toppled in 1962 in a blood-less coup led by Gen Na Win, who wielded authoritarian power for the next quarter cen-

tury.
Last September 9, U Nu announced he remained the legitimate prime minister and formed a parallel government with a 26-member Cabinet. with a 28-member Cabinet.
However, several of his appointees quickly resigned, saying U
Nu had formed the government without their knowledge.
Meanwhile, Thailand's Cabinet approved a Foreign Ministry request to grant temporary asylum to Burmese escapees

seeking asylum in Thailand, said Mr Prathueng Vicharnpreecha, a Thai government spokesman. He quoted Mr Shi-dhi Savetsila, the Foreign Min-

Touche Ross is one of the leading firms of accountants and management consultants, with 24 offices in the UK and 532 offices in 90 countries throughout the world. Authorised to carry an Investment Business by the Institute of Chartered Accountants in England and Wales.

### **WORLD TRADE NEWS**

# Framework for £1bn UK-Saudi offset agreed

By David White in Landon and Finn Barre in Riyadh

oessman closely involved with the region said.

Unlike a previous Saudi agreement with Boeing of the US, the UK deal involves no

contractual obligation for off-

A special Saudi offset office at the UK Ministry of Defence,

set up two years ago. Is almed at identifying potential pro-jects to meet the offset targets.

The agreement points to new joint ventures, especially those involving transfers of high

technology, hut also licensing

and technical training deals and projects aimed at expand-

ing exports from Saudi Arabia.

Proposals are to be processed
by a top-level joint committee,
in which the Schroder mer-

chant banking group is to act as adviser to the British side.

The announcement said there

would be a simple two-stage

The new concentrate plant, plus another bottling joint ven-

ture and a research centre, will

be in Guangdong. A further bottling and canning factory is

to be set up as a joint venture

UK INVESTMENTS in Sandi a seminar is due to be held in Arabia worth at least £1bn are envisaged under wide-ranging and a second meeting in envisaged under wide-ranging offset plans linked to British exports of military aircraft and

other defence equipment.

Ao agreement setting oot procedures for approving thehoped-for new vectures, which are to cover both civil and defence fields was announced yesterday after a meeting in Riyadh hetween Mr George Younger, British Defence Sec-retary, and his Saudi counterpart, Prince Sultan Bin Abdul Aziz.

The offset plan, essentially an industrial collaboration programme, is in response to Saudi demands for economic benefits to compensate for the expected outlay of more than £15hn on the country's two-part arms deal with the UK. The target figure is based on 25 per cent of UK "technical

content" in the arms purchase.

The agreement follows an initial memorandum on offsets signed in September last year. That was before the two countries concluded a framework deal on the second part of their so-called Al Yamamah programme, which envisages fur-ther supplies of Tornado fighter-bombers and Hawk advanced trainers, as well as helicopters, minehunting ves-sels and base facilities.

To entice British companies, procedure.

PEPSICO is to invest about

\$20m in three soft drink pro-

jects in China, which have been given the go-ahead by the Peking government. They include the company's first concentrate-producing plant in

the country, which it will wholly own in line with its international policy of protect-

ing its concentrate formulas.

There are already three Pep-siCo bottling plant joint ven-

tures in China accounting for

an investment of up to \$30m, where ownership is

shared with local government-

owned partners.

By John Eiliott, recently in Canton

China ventures for Pepsi

# Moscow agree bank deal

By Jim Bodgener in

TURKEY and the Soviet Union have agreed in principle to set np a joint venture bank, it was announced as ministerial-level Riyadh two months later. trade talks got under way in Some however question whether investment of this scale will be forthcoming from Ankara yesterday. The agree-ment follows a decision to go ahead with an exchange of representative offices between Britain and whether Saudi investors will be found to proinvestors will be found to provide a matching amount.

"British industry is not going to come up with this sort of money unless it is either beaten with a etick or dragged along with a carrot," one husioessman closely involved with Turkish and Soviet state

banks. The banking initiatives were agreed in talks between Mr Konstantin Katusev, Soviet Foreign Economic Relations
Minister, and Mr Kurtcebe
Alptemocin, Turkish Finance
and Customs Minister.

The Bank of Foreign Economic Affairs of the USSR would be permitted to open a representative branch in Istanbul, said Treasury officials. In turn, Turkish state-owned Emlak Bankasi would open a representative branch in the Soviet Union, said Mr Bulent Semiler, its general manager.

This would be the first rep-

resentative office opened hy a Turkish state bank in the Soviet Union. Permission has already been granted to two Turkish private sector institu-tions, Garanti Bankasi and Yapi Kredi Bankasi. The Soviet bank's office in Istanbul would he the first in

Istambul would he the first in Turkey since the 1920s.
Once established, the two institutions will negotiate for the formation of a joint venture bank in Turkey with offices in both countries, to further trade relations between Turkey and the Souter between Turkey and the Soviet Union within the framework of a major gas deal.

Turkey is expected to pur-chase around 400m cnhic metres of Soviet gas in 1988, as against the previously agreed 1.5 hn. Yearly supplies are expected to reach 6hn cubic metres by 1992.

A \$70m contract for the in Peking, which will be Pep-siCo's first project in north electrification of a railway line between iron mines at Dyrigi and Iskenderun Port in south-• Philips of Holland has this east Turkey has been awarded week signed an agreement for its eighth joint venture in to a consortium of French and local companies by state-owned Turkish Railways. The China. This covers a HK\$100m project in Guangdong's Shen-zhen Special Economic Zone to consortium includes France's GTME and Sofrerail, together produce 20m video cassettes a year by 1990 for sale in China with Turkish contractor Sezai Turkes-Feyzi Akkaya.

# Ankara and | Gatt warned of protectionist 'time-bomb'

By Peter Montagnon, World Trade Editor

countries to live up to their commitment to freeze and rollback protectionism if it is to be regarded as a success, according to a study published today.

Written by Mr Sidney Golt, a

veteran observer of the intervereran breever of the mer-national trade scene and a for-mer UK trade negotiator who is now a director of Malmgren, Golt, Kingston, the study\* warns that the Montreal review will take place against the hackdrop of dangerous time-bombs ticking somewhat ominously not so very far

THE FORTHCOMING mid-term review of the Uruguay Round of multilateral ure of the so-called standstill trade negotiations will have to address the failure of leading made by leading traders two years ago in Punta del Este and says this will have to be addressed by the main partici-pants in the Uruguay Round when they meet at ministerial level for their review in Mon-

treal next month. The misigivings, particularly in developing countries over standstill and roll-back, have recently fallen out of the limelight as negotiators have con-centrated on their impasse over world farm reform.
But Mr Golt says it will be

the Uruguay Round on this issue "since it is precisely con-duct covered by these commit-

duct covered by these commi-ments that the round is designed to remedy.

Despite the apparent lessen-ing in international trade ten-sions over the past year, he warns that the new US trade bill, the new US/Canada free-trade agreement with its poten-tial for fragmenting the systial for fragmenting the sys-tem, unresolved disputes between the US. EC and Japan, and worries over "fortress Europe", all constitute poten-tial threats to the multilateral trading system.

In a succinct and compre-hensive analysis of events lead-ing up to the round and the

ner and Co.

Among the handful of joint

negotiations themselves, he says the Uruguay Round will be profoundly affected by what happens at the Montreal meet-

ing.

"Concrete results of a substantive kind on at least some topics will be needed if the mid-term review is not to be written off as a setback," he

The best chances he in the procedural areas such as surveillance by the General Agreement on Tariffs and Trade of member-countries' trade polimember countries' trade polimember and describe extilement. cies and on dispute settlement but there is also a possibility of progress on trade in tropical products. Such an outcome, especially

fer.

But the results were extremely disappointing. Foreign companies are worried that officials are trying to the approval for joint venture projects too tightly to the amount or quality of the technology the foreign partner may trans-

or quality of the teams the foreign partner may trans-

Foreign bankers and indus-

trialists feel strongly that the advantages to be gained from a more liberal law and simpler procedures are first of all the

creation of jobs and invest-

be access to export markets outside the hydrocarbous sec-

The second advantage would

if it is accompanied by the prospect of improved performance on the standstill and roll-back commitments, could be regarded as a reasonably

be regarded as a reasonatry satisfactory result of the first two years of the Round.
"It would fall short of the much-publicised aspirations of the US Administration, and of the professed hopes of some other countries, but it cannot

ther countries, but it is a could be much less than they could realistically expect."

The Gatt Negotiations 1986-1990; Origins, Issues and Prospects, by Status Gott, British North American Compiles. 35/37 Grospenor Gardens, London SW1. Price £6.00 plus 50p postage and packing.

### Hungary in car venture with South Korea

THE Hungarian Credit Bank has signed a letter of intent with Daewoo of South Korea with Daewoo of South Korea for Hungary to supply car components and assemble cars, according to the Hungarian news agency MTI-Econews, Reuter reports from Budapest.

Mr Choi Kye Yong, Daewoo Vice-President, said yetserday the plan called for Hungary to manufacture one third of the parts required for Daewoo's parts required for Daswoo's 1,500 cc Le Mans model. Hungary has been unable to obtain enough cars to satisfy demestic demand from its nor-

mal East European suppliers and has been searching for an alternative car manufacturer with which it can co-operate. Hingary has a waiting list of 300,000 prospective car owners and an ageing vehicle stock. Under the deal; Hungary will export some of these parts in payment for the remaining two thirds it would import and assemble. This would ensure "no leakage of hard currency". AP Adds : Two other joint ven-

fures worth a total of \$190m have also been agreed. The Hungarian Credit Bank and Daewoo have initialled a \$100m Thivest Trade" joint venture, which will involve deals ranging from leasing to marketing. The other, "St Stephen Hotel", with a subscribed capital of \$90m, is to purchase and build hotels and is likely to buy Budapest's scenic Hilton Hotel, built on Buda Castle Hill

several years ago.

### difficult to claim success for Algeria fails to tempt investors

Francis Ghiles on the need for reform to encourage joint ventures projects were deemed to be the best vehicles for such a transrecent study compiled by the London City Solicitors, Breb-

HEN the Algerian
Assemblée Nationale
Populaire passed a
joint venture law it was deemed to hold much promise. Two years later, however, only a handful of international companies, including Ericsson of Sweden and Daewoo of South Korea, have entered into joint ventures with Algerian part-

certain Algerian officials claim to be disappointed but most foreign companies and hanks which do husiness in the country are not surprised by this meagre crop. Too many aspects of the 1986 joint venture laws militate against the interests of notential foreign interests of potential foreign

The drawback remains the refusal to allow foreign companies to hold more than a 49 per cent stake in the joint venture. The then Minister of Finance, Mr Abdelaziz Khellef, had presented to the deputies a draft bill which, if accepted, would have allowed foreigners to hold a majority stake, But it was rejected after a long debate and, to date, many Algerians, particularly among the ruling Front de Liberation National hardliners, remain nervous about any significant foreign

Other drawbacks include: The tight control the anthorities retain over the decision as to which sectors of activity, indeed which specific projects, might qualify for joint

venture etatus. Farming and tourism are two sectors which officials are keen to see foreigners invest in. But oil explo-ration and recovery provide the prospect of most immediate benefit. Indeed Algeria has difficulty in meeting its Opec quota because severe underinvestment in recent years has resulted in a marked deteriora-tion in the condition of the

Among the handful of Joint ventures signed so far, those with Ericeson, Agip of Italy. Cepsa of Spain and Daewoo stand out. The South Korean company and the Algerian Trade Fairs Organisation, Onosex, agreed last September to set up a company with a capital of Dinars 52m (\$4.5m), Foreign companies are worried that officials are trying to tie approval for joint venture projects too tightly to the amount or quality of the technology the foreign partner may transfer.

The lengthy and cumber-some procedures before secur-

ing approval. • The difficulty most companies face in repatriating their share of profits, finding officials inherently suspicious of the profit motive and slow-moving. Foreign companies would also like greater freedom in their use of their profits, particularly in deciding whether they increase their stake or form a new joint ven-

• The absence of precise crite ria for tax concessions which remain at the discretion of the Ministry of Finance and the central bank.

The fact that private Alge-

rian companies are harred from associating with foreign ones. Further details concern-

ing this law can be found in a

equally split between the two parties, to build a Hilton hotel in Algiers.

Work has already started on the project which, when com-pleted, will provide foreign vis-itors with their first opportu-nity to enjoy international standards of comfort

Ericsson, for its part, has signed an agreement with the Algerian state telecom company, ENTC, partially to con-vert an old telephone exchange plant into one able to build digital exchanges. One of the reasons which

prompted the Algerian govern-ment to draft a more liberal joint venture bill was the hope

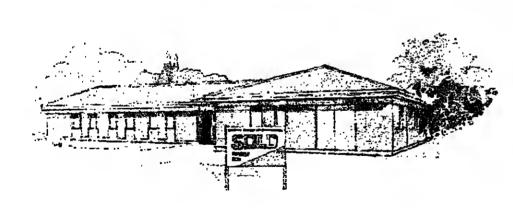
tor. Last but not least, such ventures could help introduce more modern accounting and production methods to a country whose laws have kept it a prisoner of ways of doing busi-

The first of the second of the first of the first of the first of the second of the second of the second of the

ness which are increasingly out of date -Such changes could only come if they tie in with other reforms which reduce the weight of central planning and encourage greater freedom for companies.

A number of Western companies would be happy to invest to project their market share in Algeria, and help develop that such a law would encourage technology transfers. This theme has long been a pet idea with Algerian officials.

Throughout the 1970s, 10 key





YOU TELL AN EED BUILDING BY THE SIGN OUTSIDE:







It could be the first indication of something special

Energy Efficient Design.. High standards of insulation and direct-acting electric panel heaters are combined to give you minimum capital and operating casts and maximum comfort and flexibility.

Panel heaters are much cheaper to install than a pipework and boiler system. This saving more than offsets the extra cost of improved insulation.

They are also quick and easy to install, so layout changes are simplified. Each heater has its own thermostat, with a central energy monagement unit supervising the whole system. Separate metering on each floor, if desired, makes it easy to sub-let.

You gain usable space because there are na boilers, pipework and flues and because the better insulation makes window areas more comfortable.

Using low-cost night-rate electricity, panel heaters ensure offices are warm by the time staff arrive. Then, with the free warmth available from people and business mochines, the system only needs topping up.

Total operating casts ore comparable with those of a boiler and pipework system — dan't farget that the panel heaters are virtually maintenance-free.

If you want a building that's o sign of new standords in comfort and economy, choose the Energy

Efficient Design concept. Send the coupon for more information or coll Freefone PlanElectric.

Please send me Posr to: Electrical	r information on Energy Efficient Design Buildings. y Publications, PO Box 2, Feltham, Middx, TW14 OTG.
Nome	Position
Company/Add	vess
Postcode	Telephone
111	PLANELECTRIC
<b>F</b>	Energy for Life
_	The Electricity Council England and Wales CISAR

# SOME OF THE REASONS WHY WE PREFER TO BE JUDGED BY THE COMPANY WE KEEP.

We'd be the first to admit, Prime Computer is hardly a household name. Because there's one thing we've not we can offer our clients even greater resources and an done in our 16 years in the computer business.

And that's to blow our own trumpet.

We've been far too busy building

We've been far too busy building

We've been far too busy building

Prime into a \$1.6 billion company

for that. Too busy making sure our thousands of employees around the world keep things running smoothly.
Busy building on our

b,

iry in ca e with Korea

the state of the s

de d. Rategy

Clark care ा विशेष स्थाप

growing reputation for putting our clients' needs first.

The recent merger with Computervision now means

top 500 companies.)

Rest assured, we'll continue to produce integrated solutions based on our high quality product range.

We'll also be able to provide the combined talents of our two complementary groups of employees. Which makes it possible for us to devote even more time to giving our clients the kind of service they've come to expect from us.

Although we're a leading provider of integrated system solutions to a number of markets, including manufacturing, financial services and the public sector, not everyone knows just how much Prime can offer.

Except, of course, those companies who've already exercised their good judgement.



Prime Computer (UK) Limited. Freephone: 0800 282840

### THE NATIONAL INSTITUTE QUARTERLY REPORT

# Interest rates to stay high 'for years ahead'

By Peter Norman, Economics Correspondent

A DOUBLE warning that Britain feces e prolonged period of high interest rates came yesterday from both Mr Nigel Lawson, the Chancellor of the Exchequer, and from one of Britain's leading economic research institutes.

Mr Lawson told the Confederation of British Industry

eration of British Industry council that the Government would keep interest rates "as high as we need, for as long as we need" to control inflation. At the same time the National Institute of Economic and Social Research said that British interest rates would be higher than those abroad for

years ahead. Warning that policy might have to be tightened further if demand stayed strong next year, it said that there would be no scope for further tax cuts in the next budget.

In its latest quarterly Eco-nomic Review, tha institute forecast that Britain's current account deficit could rise from £13.1hn this year to £15.2hn in 1989 and persist at a high level for several years.

Recalling that there was no postwar precedent for such a deficit in two successive years, the institute said the Government should change its current policy and issue gilt-edged stock to attract a sustained inflow of foreign funds to

National Institute Review Forecast Consumer World prices trade\* Total Non-oil outp<u>ut</u> -£2.5bn 5.6 7.1 4.7 5.2 -£13.1bn -£11.6bn 40 -£15.5bn 5.8 -£15.2bn

Without such an inflow, Britain would risk e sharp fall in the value of the pound, adding to inflation and push-

ing interest rates still higher.
The institute acknowledged that the public sector was in large surplus and has no need to borrow. But the private sector could not be relied on to finance the current account deficit. For-eign institutions might have only a limited appetite for Brit-

ish equities. British companies in turn might not welcome e large inflow of foreign capital. The institute argued that the

authorities could compensate for the "overfunding" of the public sector that further gilt-edged sales would entail. The Bank of England could

resume its previous practice of acquiring commercial bills but on a modest scale. Alternatively, the public sec-tor could huild up direct holdings of private sector debt, holding such deht as a long-term reserve against rising pension costs in future decades.

Underlying the institute's suggestion is a deep scepticism about the Government's belief that the British economy can achieve a soft landing from its present pattern of high growth with a large external deficit. The institute forecast that

growth in Britain would halve to 2.6 per cent next year from a forecast 5.4 per cent this year and could fall further to 1 per cent in 1990.

The past two years, with annual output growth averag-ing 5 per cent, have given Britain one of the sharpest increases of GDP vet recorded.

Output, at least in the manufacturing sector, is approach-ing the limits of capacity. Partly for that reason, imports have risen much faster than domestic production and infla-

tion is beginning to accelerate.
The institute forecast that the current account deficit would grow as a percentage of gross domestic product to 3.1 per cent in 1989 and 1990

The institute believes the recent fall in unemployment will level off as growth slows. About 2.2m people will be unemployed in the fourth quarter of next year, the same level as forecast for this quarter. It is optimistic that an eas-ing of excess demand in parts of the labour market will lead

to lower wage increases.

Looking beyond 1990, the
institute expects growth in
Britain will fall below the levels achieved in the 1980s and unemployment again will rise. Growth in Britain's four principal foreign competitors is expected to slow to an everage of 3 per cent next year from 4 per cent this year before settling at between 2.5 per cent and 2.75 per cent in the period

From next year onwards Japan will grow at annual rates of between 4 per cent and 4.5 per cent compared with growth rates of between 2 per cent and 2.5 per cent for the US, West Germany and France.
The institute believes that
oil prices will not rise significantly until the end of next

It is optimistic that world trade will continue to grow, with exports of manufactured goods from the countries of the Organisation for Economic Cooperation and Development ris-ing by 5 per cent to 5.5 per cent annually in the medium term. The institute forsees a gradual reduction in the world's current-account imbalances in the years up to 1997, with the important exception of West

Germany's case, an under-valued D-Mark and too restric-tive a fiscal policy are likely to result in continued high cur-rent account surpluses in the next decade, it said.

At the CBI, meanwhile, Mr Lawson said there were the first signs of a slowdown in Germany.

first signs of a slowdown in economic activity, though the trend was not yet clear.

He said he would not modify the said he would not modify tight monetary and fiscal poli-cies to accommodate inflationary pressures caused by high wage rises.

# Down-to-earth economics explain mystery of love Ralph Atkins looks at the facts of life

hy mathematical equations, advanced statistical techniques and the logarithm method, suggests an article in the National Institute Economic Review.

Straight-faced economists believe they could have found a way of predicting numbers of babies - not by looking broody couples in the eye, but by looking at economic variables. such as wages, inflation, unem-ployment and house prices.

The techniques it uses are bewildering. Soppy romance is excluded. And the report has nothing to do with that messy lust husiness either.

"The couple is viewed as solving an inter-temporal optimisation problem which entails an optimal time path for child-bearing and an opti-mal number of children that vary with elements of the lifetime hudget constraint," it-

In the background, it says, is a "relationship between the satisfaction a child brings to his parents, or 'quality' of a child, and the inputs of paren-tal time and purchased goods

OVE IS ... not about passion or instinct but passion or instinct but child."

an inter-temporal optimisation problem."

Birth rates can be explained by mathematical equations, dress and entertain them.

and services in rearing a ference stages of the life cycle to economic variables.

The Family Planning Association yesterday was perplexed, with just sounds like a report by a control of the co In other words, couples have children if they like them and have enough money to fed, dress and entertain them.

The main conclusions are hardly earth-shattering, A rise in wages for women or house prices discourage child-bear-ing; more money for males has the opposite effect.

t says higher inflation may destroy the real value of a couples wealth and encourage saving.

And, as the report observes astutely, "there is a conflict between having another child and saving. Indeed the arrival of a child tends to depress

The report plunges enthusi-astically into grand theory and formulae, wading through streams of logarithms, statis-tics and heavy phases about "random walks", "serial corre-lation" and "null hypotheses". But it is the language of an But it is the language of an academic common room rather

than the marital bed.

The foundation, it says, is a set of "equilibrium relationships" (as opposed to cardinal relationships) linking the levels of conditional birth rates example, first birth rates

economists for other economists," said Ms Ruth Grigg, press officer.

She said down-to-earth economic influences, such as what couples are earning, do matter.

couples are earning, do matter.
But it was impossible to say
exactly what difference things
like higher prices might make.
"People do think ahout
money when they are having
children," she said, hut adding
"I don't want be quoted as saying the inflation rate is going
up and so people are not having babies."

Of course all this is of great
importance to the Government.
With inflation rising, Mr Nigel

mportance to the Government.
With inflation rising, Mr Nigel
Lawson, a father and also
Chancellor of the Exchequer,
could be using interest rates to
stifle a baby boom as well as a
consumer boom.

The report also finds increased child benefit encourages larger families—again showing Treaeury policy embraces the most intimate of human activities.

Alas, the Government, as yet, does not include bables in its economic forecasts.

# French 'ahead' in training of youth

By Charles Leadbeater, Labour Editor

THE FRENCH training system for young people is expanding and improving at a much fas-ter rate than the British system, according to an article in

the review.

The article, which compares training provision for mechanical and electrical craftsmen and technicians in France and Britain, found that France had Britain, found that France had made strong progress in the 1980s towards creating a vocationally qualified workforce that could match Japanese and West German levels of skills, competence and flexibility.

In contrast, the introduction of the North Tomping Schome

of the Youth Training Scheme for 16 to 18-year-olds in Britain had brought little improvement in craft training. In some areas, training standards had

The article says that, as a result, French manufacturing employers are much better placed to take advantage of new technology by introducing more flexible working prac-tices, multi-akilling and team

working.
Although many British companies have moved away from traditional, rigid demarcation lines, few have been able to introduce extensive worker flexibility, partly because Brit-ish employers face stiffer union resistance and lack e

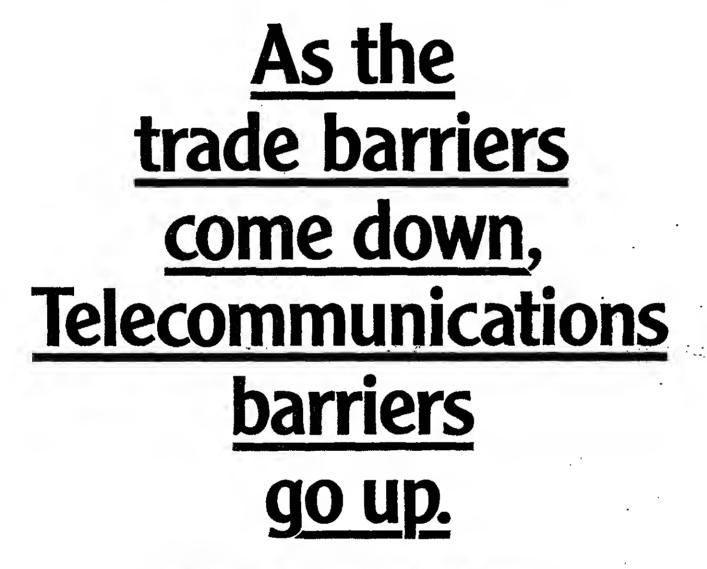
skills to draw upon. The French train 27,000 people e year to craft standards in mechanical skills and 14,000 a year to technician standards.

In Britain, 10,000 people a year gain craft qualifications in mechnical skills and 13,000 gain technician-level qualifica-Employment in French manufacturing is a tenth smaller than in Britain and in engi-neering and metal-using indus-

tries 15 per cent smaller.
After edjusting for those differences, the article concludes that France trains three times as many young people to craft-level qualifications per head of

the workforce each year. In electrical skills, France trained 32,000 young people to craft level to 1984, compared with 7,000 in Britain; 13,000 to craft/technician level compared with 7,000 in Britain, and 14,000 to technician/higher technician standards, while Britain trained 9,000 to that

standard. The article says there is lit-tile evidence that the one-year Youth Training Scheme, introduced in 1983 and extended to a two-year scheme in 1986, will make a significant contribu-tion to hridging the skills gap in engineering occupations between this country, France, West Germany and Japan.



Telecommunications within Europe are developing to differing standards.

Ours and theirs.

Many companies wishing to advance into Europe may find the biggest hurdle is their phone system.

Of course, the realistic solution is a phone system which is compatible in the UK and is flexible enough to adapt to future European standards.

One supplier has the essential European connection to offer you dual compatibility in readiness for 1992.

Norton.

Norton is part of the Siemens group.

And Siemens is the leading force in European Telecommunications.

Siemens develop switchboards for Norton which conform to UK standards, now they've gone a stage further by investing to ensure a Norton switchboard will also operate with the new European standards.

So, installing a Norton phone system before 1992, guarantees you European compatibility after 1992.

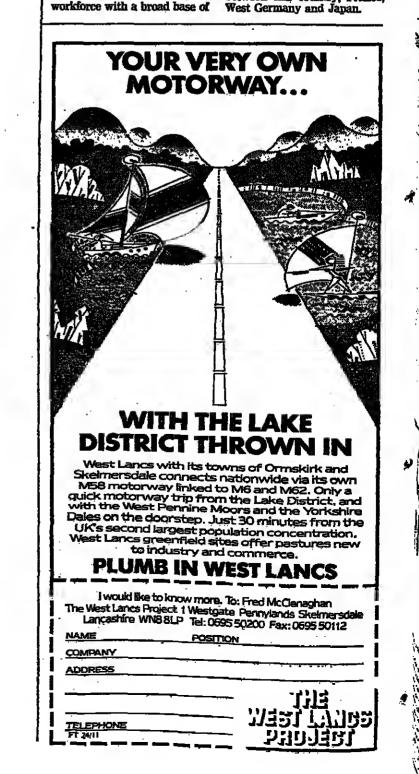
Pull down the barrier between you and Europe. Start thinking ahead. Talk to

For more information, or to reserve a copy of Norton's free handbook "Getting Through in 92" dial 01-278 0404.



Thinking ahead

nes, 339-341 City Road, London ECLY 111 Telephone: (01) 278 0404



### **UK NEWS**

# Electric industry to bear costs of emission control

THE ELECTRICITY industry will not be able to pass on to consumers the £1.6hn cost of bringing sulphur emissions from coal fired power stations into line with European standards after privatisation, the

Government has ruled.

The industry claims this could add 3 per cent to electricity costs and 10 per cent to the net running cost of a power station fitted with a flue gas desulphurisation (FGD) unit.

Had the power generating companies been able to pass on the costs, this would have resembled the "nuclear tax", whereby the cost of financing new nuclear power stations will be passed in part to elec-

Take is grant

to neft our

THE PARTY OF THE P

Printed habes

TO THE STATE OF TH

Tay Ed Tay Ed Tay Ed

a feeth 🚌

3 3

VN

IN IN

EL PE 11 13 will be passed in part to elec-tricity consumers.

The Government has ruled instead that the generating companies will bear the costs of curbing pollution.

This paralleled similar requirements being placed on coal-burning complexes in other industries such as chem-

other industries, such as chemical plants. New entrants to the private power market would also have to meet the tighter emission standards.

The ruling appears to con-trast, however, with the insist-ance by Mrs Margaret Thatcher, the Prime Minister, in Tuesday's debate on the Queen's Speech, that the cost Moscow 'exploits' fears over environment

THE SOVIET Union is attempting to use international anxiety about environmental problems to undermine Western security policies, Mr Michael Heseltine, former Defence Secretary, said yesterday, Robert Mautimer writes.

"What we are seeing here is a well thought out, carefully

a well thought-ont, carefully crafted sitempt to hijack the environmental agenda partly for ulterior purposes," Mr Heseltine said.

of purifying water supplies should be borne by the con-

"If we want environmental improvement – and we do – it will cost money, and it will he the person who wants the improvements who will have to pay for them," the Prime Minister said.

to pay for them, the rrime Minister said.

The Central Electricity Generating Board began a programme to fit flue gas desulphurisation units units to 6,000 megawatts of coal-fired generating a year ago, it was to have started with the 4,000MW station at Drax, North Yorkshire, in north east England — Euin north east England - Eu-rope's biggest coal burn-er - followed by the 2,000MW

He quoted a statement by Mr V.F. Petrovsky, the Soviet Dep-uty Foreign Minister, that the arms race was a dangerous cause of the worsening of the environmental balance.

According to the new Soviet "ecological security" doctrine the scrapping of certain military programmes could be used to release resources to estab-lish an international regime of environmental security.

plant at Fiddler's Ferry, Merseyside, in the north west.
The £400m. contract on the Drax FGD unit is likely to be awarded before Christmas to John Brown or Babcock. However, the Fiddler's Ferry project — which was to have used a different, more expensive technology — is understood to have been indefinitely shelved. The CEGB says this is

The CEGB says this is because it is reviewing the implications of the Governnt's decision in July to douhle the amount of capacity which would have to be desulphurised to 12,000MW, costing an estimated £1.6bn. The whole FGD programme was therefore being reviewed.

# No decision yet on water 'golden share'

THE Government appears set to leave open the possibility of overseas takeovers of the private water companies in England and Wales which will be created when the industry is privatisated next year. Mr Nicholas Ridley, the

Environment Secretary, will publish the bill to seil off the industry later today, heralding the start of what is expected to be a long and bitter perliamentary debate over the planned

It is understood that no firm decisions have yet been taken on whether the Government should seek to retain a "golden share" in the 10 newly created companies to deter foreign predators in the immediate aftermath of the privatisation. Ministers, however, feel that it will be impossible in the medium term to prevent, for example. French companies

from bidding for individual water supply companies. Large French water supply companies, notably Compagnie Générale des Eaux and Lyonnaise des Eaux, have already started to build up big holdings in the existing 29 statutory private water companies. There is considerable speculation that they will seek to expand their interests further when the bulk of the industry is privatised. The opposition Labour Party, which has already sig-nalled that it intends to wage a flerce battle against the water sale, hopes to exploit uneas among Conservative MPs about a possible foreign take-over of the industry.

The Government, however. will argue that a regulatory and pricing framework for the industry, including provision for "comparative competition" in decisions on what the new companies will be allowed to charge for water supplies, will act as an effective safeguard against any concentration of

ownership.

It believes that it would contravene European Community law to try to block French or other overseas companies bidding ding for the water supply com-panies unless there were clear objections on competition

objections on competition grounds.

More generally, the Government is determined to counter "protectionist" criticism from industry that its policy towards foreign takeovers of British companies is too lax. Earlier this week, Mrs Margaret Thatcher, the Prime Mingaret Thatcher, the Prime Min-ister, told the House of Commons that in the year to June 1988 the value of takeovers overseas by British companies had been over four times as high as that of foreign acquisi-

# Piper Alpha compensation deal avoids protracted legal wrangle

By A.H.Hermann, Legal Correspondent

AGREEMENT between lawyers on the settle-ment of claims after the Piper Alpha disaster in the North Sea – subject only to approval by the victims and the bereeved families – could

result in the payment of com-pensation by about Christmas. The figure of £100m divided between the families of 167 men who lost their lives in fire and explosion earlier this year and 50 survivors has been described as "acceptable" by Mr Roger Panone, the Manchester solicitor who represents some of the claimants. He also had praise for Occiden-tal, the US oil company which owned the Piper Alpha plat-

So it would appear that instead of years in court, the claimants will receive substan-tial payments quickly, having ceded to Occidental any claims they could have in product lia-

bility against its suppliers of equipment for the platform and its designers and builders. The speed with which a solution was found is also due to the co-operation of some 150 firms of solicitors representing the claimants. Most claimants, 186 out of 217, were represented by a group of solicitors who formed a nine-member steering committee, on the model of committees formed by

reached US attorneys in class actions, into which similar claims by a number of plaintiffs are inte-

grated. The prospects of litigation are, of course, the benchmark against which settlement negotiations take place. The action, whether brought in the UK or in the US, would have been against a fairly large number of defendants on the basis of product liability and/or negli-

Actions brought in the UK could not rely on the Health and Safety at Work Act 1974. from which marine installations are excluded, but there is no doubt that a number of other statutory regulations which, if infringed hy the defendants, could provide basis for a claim in addition to negli-gence and product liability. For the defendants, the advantage of an UK court would be the absence of jury and consequently a lower level of

For this reason, the lawyers representing claimants would have considered, in the first place, bringing the actions in the US. Though in general US courts can be expected to say that a UK court would, in this case, be more convenient because it is nearer to the claimants and witnesses, courts in Louisiana, where the

law is based on Code Napoleon, are likely to take a view more favourable to the claimants. Also, Texas courts are believed to be willing to entertain such actions.

Some of the US mega -awards have been so well publicised that they obscure phoneised that they obscure the true picture. Though very high awards are being made in some states, for example Calif-ornia, there are very great variations from one state to another, and in Louisiana, where many of the actions would probably have been brought, the awards are relatively modest. One reason for this is that under the civil law system of that state, it is not possible to award punitive

Many states bave enacted to awards for "intangible" losses, including, in some states, compensation for pain. Washington state, for example, provides that non-economic damages must not exceed 43 per cent of the average wage over the entire life expectancy. By contrast. Alaska which has a limit of \$500,000 on individual awards, allows exceptions from this ceiling in the case of very severe injuries.

Estimates of total amounts awarded each year recently vary between \$29bn - \$68bn.

# Security service to be given legal status

By Michael Cassell, Political Correspondent

about MI5 operations will be able to put them to an indepen-dent tribunal.

Mr Douglas Hurd, the Home Secretary, acknowledged in the House of Commons vesterday that there had been concern and misunderstanding about the operational arrangements

of the agency. The security service operates at present on a case-by-case interpretation of a general directive issued in 1952 by the Home Secretary of the day. It is answerable to parliament through the Prime Minister and the Home Secretary, a position which will not change as a result of the new propos-

als to place it on a statutory' The Home Secretary will security service officers can enter or interfere with the property of suspects under the new plan. Failure to obtain a warrant hy security service personnel could lead to crimi-nal charges being laid against

An independent commissioner, either a retired or pres-

Free hand

delivery -

Free hand delivery service for all

subscribers who work in the business

BARCELONA BILBAO. SEVILLA

Madrid Madrid **メ**ノ (01) 7339548

IPS for details.

MADRID

service

MI5. Britain's domestic ent senior judge, will be security service, is to be given legal status.

The boundaries and ground rules for its activities are to be explicitly defined and members of the public with complaints about MIS congrations will be subject to security clearance.

The independent complaints tribunal will comprise up to five lawyers, who will hear complaints against the service and who will have the power to call for relevant records and documents. If they find if favour of the complainant, they can order an end to investigations and award compensa

criticism of the security service after a series of public disclo-

sures about its past activities. The Government is to publish another bill pext month which will scrap the widely discredited Section 2 of the Official Secrets Act and replace it with controversial legislation which will impose criminal much narrower range of classi-

fied information.

Mr Hurd claimed that, taken together, the Government's recent initiatives on security and official secrets meant that it was making "a very substantial and unprecedented thrust in the direction of greater openness".

### Economy grew by 1.4% during third quarter By Raiph Atkins, Economics Staff

THE BRITISH economy grew by nearly 1% per cent in the three months to September, according to official figures yesterday which highlighted the strength of economic activity during the summer.

Preliminary estimates by the Central Statistical Office show

a rise of 1.4 per cent compared with the previous three months after adjustment for normal seasonal variations. Compared with the correspond-

tompared with the corresponding period a year before, GDP was 5 per cent higher.

The latest year-on-year figures suggest a slight slowdown compared with previous quarters. However, they were distorted by the loss of production from the Place of Sold from the Piper oil field.

# Frankfurt. A good choice to be on-line with the world.





It is updated on the hour, 24 hours a day.

If Can he accessed 7 days a week.

If Gathers information from all the world's major capital citi to produce a comprehensive world news service.

If Provides building which specialise in UK Parliamentary news and the intestinens in the City.

Newstine is one of over 40 FT Cityline Financial Reports. For ; full fist of reports available on FT Cityline ring 8636 439999 or 6898 123879. For a free copy of FT Cityline's Share Directory ring 81-925 2128.

Lufthansa

# Keep the world in focus. For many executives that could be a daunting task were it not for the Financial Times. The FT has breadth

and depth of vision, an eye for events that are often in shadow and the ability to provide sharply detailed analyses. In short-it keeps track of a global economy that's in constant motion.

To order call 1-800-344-1144. (In Canada 416-283-2777) FINANCIAL TIMES 14 East 60th Street · New York, NY 10022

### Free FT Hand Delivery Service in Spain

Subscribe and have your FT hand delivered if you work in the business centres of Madrid, Barcelona, Bilbao, Sevilla.

Ø (01) 7339548

And ask IPS for details.

**FINANCIAL TIMES** 

# Britain's heavy tank fights for survival

he Tank Museum at Bovington Camp in Dor-set has a spanking new but it is an evens bet whether or not there will be another British-designed heavy

tank to put in it.
The choice of a new main battle tank for the British Army, which Mrs Margaret Thatcher, Prime Minister, is expected to discuss with a restricted group of ministers today, will be controversial

whichever way it goes.

If the Cabinet opts for the US competitor, the General Dynamics M1A1 Abrams, it will almost certainly condemn the British heavy tank industry to oblivion. If it accepts the party portion of the Challenger new version of the Challenger tank proposed by Vickers Defence Systems, the sole UK manufacturer, there will always be questions about how far the choice was a political one rather than a decision based on strict value-for-money principles.

The contract, for between 500 and 600 tanks to replace the remaining 1950s-design Chieftains in service with the British Army of the Rhine, is worth more than 21hn. The ministry has repeatedly put off the timing of a decision. Officially, three tanks are in

the race, including the Krauss-Maffei/Krupp Leopard 2, in ser-vice with West Germany, the Netherlands and Switzerland. But it is thought that the Ger-man vehicle was eliminated early on for being under-armoured in comparison with the well-protected Challenger.

But that still leaves three choices. The first would be to buy the as yet non-existent Challenger 2 on trust, presuming that the gremlins of the

The Government is moving close to a decision on a new main battle tank for the British Army. David White says that the choice could settle the future of a large part of the UK arms industry

Challenger 1, especially its much-criticised gan control system, have been ironed out. Challenger 1 started life as the Shir, destined for Iran before the Shah's downfall put paid to the deal Deliveries started five years ago, and the army will eventually have 400

The second would be to take the Abrams to use alongside the Challenger 1. This could be based on a collaboration deal between General Dynamics and UK companies such as GKN or Vickers Shipbuilding and Engineering (separate from the other Vickers group), which already do closely related work.

A third choice would be to send the competitors back to do more development before a final decision is made. This is a tempting option, hut would risk setting the programme back, and the Army is understood to want its new tank to arrive in 1993.

The MoD's Equipment Policy Committee, chaired by its chief scientific adviser Professor

Britain's Challenger 1: much criticised gun control

Ronald Oxburgh and bringing in representatives of other departments including the Treasury, normally makes a recommendation to the Cabinet, but is believed to have avoided stating a preference.

Vickers, which has spent 230m on the former Royal Ordnance factory in Leeds where it would build the new Challenger, claims that losing the contract would cost Britain

contract would cost Britain

10,000 jobs. 10,000 jobs.
It would hit the 850-strong Leeds workforce, part at least of the company's workforce at Newcastle, and other jobs among 400 suppliers, some of which depend on Vickers.

It would also hit British chances of securing tank export orders. The market in the Middle East and North Africa alone is reckoned to be worth some £3bn. Morocco, which requires some 100 tanks, and Kuwait, seeking some 200, are waiting for the verdict.

Effectively it would mean opting out of a strategic defence industrial sector. Any subsequent tank would almost

er's gunnery.

Debate rages about the relative merits and potential of the rifle-bore type of gun, to which RARDE is heavily committed, and the smooth-bore used by hoth of the foreign rivals. Ammunition for the former comes in two pieces, one of which is inert and can there-fore be safely stored in the vulnerable turret area, wbereas the latter uses single-piece live

ammunition. ammunition.

The Chailenger 2 is designed to take a RARDE/Royal Ordnance 120mm rifle-bore gun, the L30, but could be reconfigured if necessary for a 120mm smooth-bore Rheinmetall gun, the same as on the Leonard 2 the same as on the Leopard 2 and the MIAI Abrams

Some argue that Britain should switch its type of gun in order to fit in with other Nato forces. Others point out that of the tank forces flanking Britain's, Belgium's is all rifle-bore and the West Germany and Dutch tank fleets contain a mix. A change would also mean aither operating two systems concurrently, or tak-ing on the costly task of adapt-ing the existing fleet of Chal-

lenger 1s.
"Inter-operability, yes," said one senior official, "but it should begin at home."

What about the next genera-

tion? The question requires a crystal ball, since whatever tank is bought should be expected to hold a prime role for 20 years. Will there be a next generation of main battle tank? Some doubt it in the light of technological advances And if there is one, few would consider it likely that Britain would build another tank on its own.

I believe cars could be made less vulnerable to the criminal.

I reckon business should do more to help combat crime.

I'm sure that our council estate could be made a safer place to live in.

There must be some way to make the elderly feel safer in their own homes.

More could be done to keep kids away from crime.

I want the next house I buy to have security built in.

It must be possible to do something about all the burglaries in our street.

# IF YOU HAVE ANY OF THESE CONVICTIONS. THEN HELP CRACK CRIME.

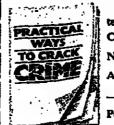
It's been estimated that a patrolling police officer in London could only expect to pass within one hundred yards of a burglary once every eight years.

That's why the law-abiding citizen plays such an important part in crime prevention.

Whether it's the designing of products and buildings, the setting up of Neighbourhood Watch Schemes, or lock fitting for the elderly.

To find out exactly what you can do to help, send away for your free copy of Practical Ways to Crack Crime?

Then those with the right kind of convictions can help to stop those with the wrong ones.



For your free copy of 'Practical Ways to Crack Crime' telephone 01-200 1000 or send this coupon to: Home Office Crime Prevention, PO Box 2000, London NW9 6BN.

# **Authorities warned** over schools reform

By David Thomas, Education Correspondent

LOCAL anthorities were strongly warned yesterday hy Mrs Angela Rumbold, Educa-tion Minister against trying to block the Government's educational reform programme by opposing schools opting ont and the establishment of City Technology Colleges.

certainly be an international

certainly be an international collaborative vanture, but would Vickers, which lays claim to being the world's oldest tank manufacturer, be placed to play a major role if it has missed one generation?

The Army has sent confused signals as to its wants. At first it commend strongly in favour of

it seemed strongly in favour of the Challenger 2. The British tank would use the same kind of ammunition it is accus-

tomed to, would be cheaper to

run and would save on retraining costs. But as anxiety about

the delays have grown, so has

the lobby for the readily available US alternative.

lenger 2, incorporating a new turret and Marconi gun-control

equipment, is not expected to

run before 1990. The Government is clearly

anxious to avoid another devel-opment failure at the taxpay-

er's expense such as the Nim-

rod early warning system, cancelled in 1986. The Royal

Armament Research and

Development Establishment (RARDE) has already invested

The first prototype Chal-

The warning, made in a speech to the annual meeting of the Labour-controlled Assoclation of Metropolitan Authorities (AMA), was coupled with the articulation of a new relationship between schools and local government, under which councils would act mainly as monitoring and advisory agents for schools.

Referring to the moves by some schools to opt out of local authority control, Mrs Rum-bold told the AMA in Doncaster: "I am much concerned about the campaign of misin-formation which appears to be underway in some areas."

Two schools have already voted to opt out of the control of their local authorities. They area awaiting the deciding verdict of Mr Kenneth Baker, the Education Secretary.

Schools are permitted to opt

out after parents and gover-nors have voted in favour of such a move under the terms of the Government's education reform bill, which was passed

earlier this year. Without naming any local authorities, the minister said

she had heard of attempts "to intimidate parents and governors who are considering the future of their school" and warned councillors attending the AMA meeting not to engage in such a "malicious campaign."

Mrs Rumbold has written this week to the chairman of governors at Audenshaw comprehensive in Greater Manchester, where the Labour-con-trolled Tameside council has been waging a campaign against the school opting out, setting out the implications of a school opting out.

Ministers do not appear to take seriously, however, the warning mada earlier this week by the AMA that the opting out provisions were prompting many local authori-ties to impose an unofficial ban on school closures. They are confident that local councils will continue to cut out sur-

plus school places.
Stressing that school gover-nors and heads were to become responsible for the day-to-day running of schools, Mrs Rum-bold called on local authorities to adopt a new role, centred on informing the general public about the relative performance of schools: "You will have to take the lead in huilding effectiva systems of management information and developing agreed\_indicators of perfor-

# Life disclosure rules unveiled next month

By Eric Short

LONG-AWAITED details on requirements for lifa compa-nies to disclose product charges will be unveiled on December 14 by the Securities and Investments Board (SIB), the UK's main financial ser-vices regulatory body.

This was confirmed yester-day by Mr David Walker, chair-man of SIB, at a London conference of the Unit Trust

Association.

Publication of the proposals will represent the culmination of nearly three years of deliberation and consultation between the board, its advisers and the life assurance industry.

Talks centred on whether or not life companies should disclose fully to clients the amount taken by companies from premiums and invest-

amount taken by companies from premiums and investment funds to meet their expenses, and how to present such information. The life assurance industry has, in general, opposed such disclosure. Mr Walker indicated his preference for a two-tiered approach to disclosure which could form the basis of the forthcoming SIB proposals.

Some information will be

disclosed automatically to customers in a prescribed and straightforward manner, although Mr Walker did not indicate what information com-panies would be compelled to provide.

Clients would also have the

right to receive some further information on request. Mr Walker suggested that this "soft" disclosure could cover such things as a company's investment performance, investment philosophy and for traditional life companies, its bonus philosophy.

Mr Walker said that this further information would be of greater value to independent advisers, analysts and the financial media for the compar-ison and assessment of compa-

Mr Walker said that the period for consultation on SIB's main disclosure proposals would be longer than previ-ously possible. He was con-cerned that the eventual disclosure requirements should reflect the benefit of adequate and constructive talks with the

industry.

He hoped that the industry would approach the consultation the hasis tion exercise not on the basis as to whether good disclosure was needed, which he likened to fighting last year's war, but on how best to achieve good disclosure.

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SWIW OBD Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

FT 30 FTSE 100 WALL STREET

Nov. 1496/1505 +9 Nov. 1835/1845 +12 Dec. 2078/2090 +1

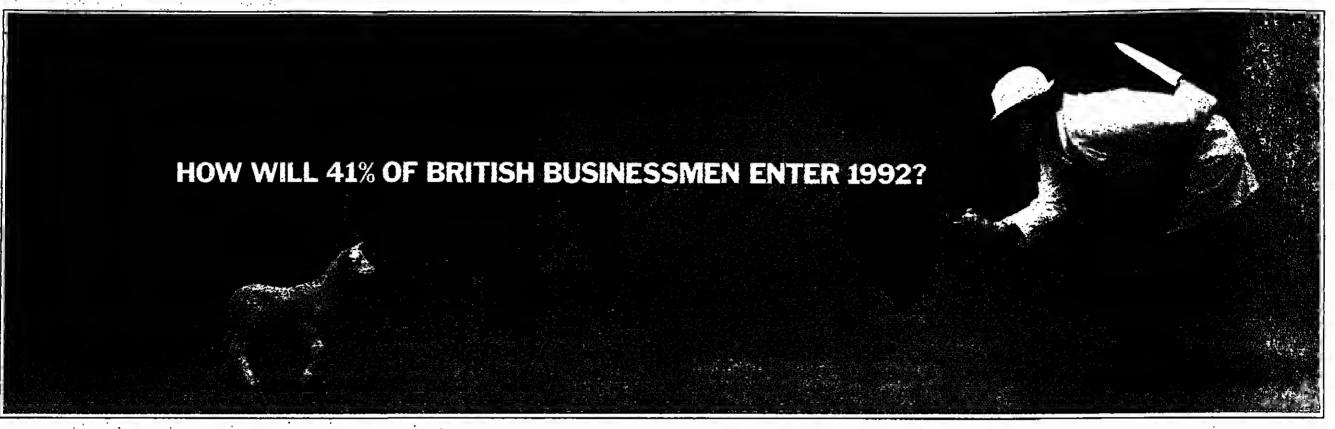
Dec. 1502/1511 +9 Dec. 1842/1852 +12 Mar. 2098/2110 N/C

Prices taken at 5pm and change is from previous close at 9pm

inety-one per cent of British businessmen believe that 1992 will be good for business.

Good news. Well yes, except that behind this statistic lurks another. Forty-one per cent of those surveyed, revealed they had no game-plan whatsoever.

Frankly that's something that worries the life out of us.



rned

form =

THE

HOIII.

In 1992, we'll all be fish in a much larger pond. And whilst this means more opportunities, it also naturally means more predators.

For the fact remains that if you can see an opportunity, so can your rivals.

So how can you make sure that as all the rules change, you know how to play the game and win?

Well to start with, you need expert advice. And having worked closely with many clients in Europe, that's something we're well placed to provide.

We'll give you an in-depth analysis of how 1992 will affect not only your business, but that of your clients and suppliers.

And we'll follow this up with a detailed plan of action, telling you what you should be doing about it.

More important, thanks to our extensive network of European offices, we can also give you on-the-spot help as you put your game-plan into practice.

So that, come 1992, when everyone else is waiting for things to change, you're up there making the changes.

So that, come 1992, when everyone else is waiting the change, you're up there making the changes.

Accountants, Advisers, Consultants

### **TECHNOLOGY**

crime is carried out by employees rather than by outsiders. And the potential for insiders to perpetrate fraud has been increased by the rapidly growing use of computers, particularly personal computers linked to local area networks.

"The hasic dilemma facing organisations with networks is ensuring that they are simultaneously open and secure," says Robert Neely, head of the communications group at the Cran-field Information Technology Institute.

He explains that if compa nies are to make the most of their investment in informa tion technology, they need to balance the control of information with the need for free access to datebases. Access must be confined to outhorised users, but all the PCs on the network must remain effective business tools.

The growth in demand for computer security has sur-prised the larger computer facturers. Security was not built into early networks and suppliers are only now chang-ing their marketing emphasis from the speed of the system to the security of information. To fill the gap, there has been a proliferation of smaller suppli-

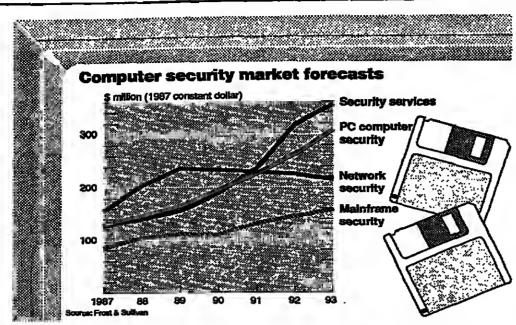
ers of security systems.

According to Frost & Sullivan, the US analysts, the European market for specialist security software is likely to increase from \$144m in 1985 to \$554m in 1992. The leading security software packages include RACF from IBM, and ACF2 and Topsecret from Com-puter Associates, of Slough. Software houses such as Cap Gemini Sogeti and Logica also

offer systems The potential purchaser is faced with a bewildering range of options, including systems which prevent physical access to computer terminals and soft-ware which controls entry to networks and particular files. BIS Applied Systems, the

information technology consultants, says that because most computer crime is committed not by "hackers" outside com-panies, but by "gropers" -people working within - physical access control systems are inadequate. Companies must invest in software which will protect information inside com-

The first function of the software is to check the legitimacy of each attempt at access.
Users identify themselves by
name or initials and are then
authenticated – that is, the system checks that they are people simply use dates of



In the second article of a series on computer security, Paul Abrahams looks at protection against attack by insiders

# Curbing the reach of the 'gropers'

who they say they are - by using passwords, magnetic tokens or biometric methods (identification by physical characteristics such as finger-

Once the person is inside the system, the software must ensure that his or her activities are limited to appropriate applications. For example, office workers should be able to use word processing packages, but they must not have access to payroll details, Rnpert Soames, managing

director of GPT Data Systems, a division of GEC Plessey Telecommunications, says that although passwords are the most popular way to control occess, their limitations have been evident since Ali Baba overheard the words "open ses-

He points out that many peo-ple use obvious passwords: for example, 80 per cent of dogowning computer operators use their pet's name. Similarly, a computer hacker in the US was able to access information at Nasa because "space shuttie was used as a password. Numbered codes provide little extra protection because many

birth or telephone numbers.

Soames says that computer users should change passwords regularly. If necessary, they should be forced to enter new ones at predetermined intervals. The words also need to be of a minimum length. One backers' program can crack a four-letter password in less than a day, whereas a five-let-



ter one can take months The second main function of the software system is to ensure that users are authorised to access particular files. Companies need to work out what data needs to be pro-tected by grading their information according to its type and significance. Financial information or files about personnel would need higher clearance, for example, than details about catering supplies. Users then need to be-

graded. Systems managers need to define who may use information and who may not. They also need to control who can do what to the data whether particular users can read, edit, copy, create or delete files. Finally, they need to decide how and in what circumstances non-authorised users are allowed temporary access to certain files. Once all of this has been

defined, the system must have integrity – that is, no unau-thorised changes should be allowed. The software runs a check on requests to change the definitions, so that information cannot be downgraded or users npgraded without proper approval.

The system should also be

configured to make sure that no person, acting alone, can carry out sensitive operations. The UK Audit Commission says that most computer fraud occurs in the inputting and processing of data. For example, salesmen who receive commission for customer orders should not have the ability to

enter those orders on the company's computer.

A final and initially cheap, method of providing file security is through encryption. This means that particularly sensitive documents can be individually coded so that even if an unauthorised user gains access to a file, it remains impossible to read.

Although all encryption

codes are eventually breakable, protection is derived from the length of time this takes because most information is time sensitive.

Security software packages can deter abuse of the computer system by monitoring – or auditing – its use. They provide an audit trail which allows software managers to see who has entered the sys-tem and where. It is also possible to see the uses to which the system has been put.

However, despite all the risks, there is a gap between a company's theoretical vulnera bility to computer crime and what it is worth the company's while to do in terms of protection, says David Cassell, a product manager at Madge Networks, a UK supplier of

local area networks. He explains that companies must decide how valuable their information is before they start investing large sums in its protection. The cost of reducing the risk - which includes not only buying the system, but also its administration and maintenance and training staff to use it - may be greater than the potential loss.

Companies need to do an inventory of resources and the points of vulnerability. They can then assess the potential damage, the likelihood of it occurring and the cost of preventing or reducing it.

Frost & Sullivan points out that few companies budget for computer security provisions. spending on security software because they do not see it as increasing profits.

In the end, whatever system is chosen it needs to be easy to use and it must be supported by training. There is little point in implementing a system which is so complicated that people by-pass it.
"You need a balance," says Robert Neely at Cranfield. "If

the system is over-secure, people will by-pass it, or end up writing down passwords on yellow post-it pads - which rather defeats the purpose of the whole thing," The first article in the series

appeared on November 17 and the third will be published next

#### Cad makes a comeback

AFTER three lacklustre years, the computer-aided design (Cad) industry is making a comeback.

According to Daratech, the US Ced market research company, world sales will be about \$5.3bn this year and growth, at 18.5 per cent, will be more than double that of last year. This is in spite of the near haiving of prices for basic systems since 1978. The growth is due to the sale of many more systems, mostly based on desk-top and personal computers. After

a period of intense competition, declining prices and improving system capabilities, more users feel that the systems offer value for money and have been able to justify purchases.

The industry has also

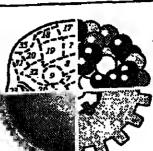
developed a new shape, mostly due to Prime Computer's acquisition of Computervision and part of Caima (which had been a General Electric subsidiar **But Daratech says that there** have been a dozen mergers and acquisitions during 1988 and acquis

in spite of Prime's increased muscle, IBM now has an even larger share of the market at 25.5 per cent. Prime's share is 15.9 per cent and Intergraph's, 15.5 per cent. There are another sever players in the Daratech league, with percents between 5.6 and 2.2. Together, their market share is slightly less than IBM's.

Race for the flat TV FINLUX, the Finnish electronics group, which has

been leading the developme of flat television display panels in the Europe Commission's "Race" programme, reports the experimental construction of a monochrome screen with a 12-inch diagonal. The other participants are Matra (France), SGS Thomson Microelectronics (Italy and France) and Ghent University in Belgium.

The device employs electroluminescence, the production of light when ar electric field is applied to materials called phosphors. The image is built up from 107,500 separate picture elements, each measuring 0.6 mm by 0.6 mm, and the display is not much thicker than the glass sheet on which it is febricated.



#### WORTH WATCHING

**Edited by Geoffrey Charlish** 

With electronic circuit mounted on a board behind the panel, a television set only 54 mm (2.1 in) thick has been built, which can be hung on a wall. Finlux believes that mass-produced sets using such screens will be on the market from about 1995. Colour has been achieved in the laboratory, but the company says that "the colour hues and intensities need further research."

#### Ridding water of nitrates RESEARCH Into methods of

removing nitrates from drinking water should be speeded up by a computer simulation technique, developed at Cranfield UK.

The system allows de-nitrification processes to be tested for efficiency, obvisting the expense of carrying out a succession of "live" experiments. Considerable time can be

George Solt, head of the School of Water Sciences at Cranfield, says: "Large volumes of potable water in the UK must now be de-nitrified to meet European Commission standards of 25 milligrams of nitrate per litre of water (average over the year). Some water authorities currently have levels which can reach 80/90 milligrams per litre." Most of the Cranfield work

is concerned with exchange resins, which are substances that replace the nitrates with harmless chemicals. The Department of Industry has just contracted Cranfield to determine the properties of new nitrate-selective resins which promise superior performance.

# **Baking without** cake tins TRADITIONALLY, sponge

#### cakes are made by ial bakeries in religious tins. After beking the rounded top is remove and two discs are produced

by hand with a knife. But now Meincke Broth of Copenhagen, has developed a system which feeds the sponge mixture from an serator into a device which deposits it to a controlled depth on a continuous steel band up to 1,200 mm (4 ft) wide. The band takes the layer

of mixture directly into e tunnel oven. When the cooked spon emerges, a cutting head makes cake discs of the required size, which are removed from the band by

hand. The band is clean The sponge layer thickness can be varied to suit two or three layer galeaux, and the plant can be constructed for

any production capacity.

An additional benefit of having no tine is that no washing up is necessary; nor do they have to be greated, handled or transported on

#### Pictures by telephone

PANASONIC, the Japane electronics group, is to market a small screen and camera unit which will allow users to send images over

an ordinary telephone line.
The unit, WG-R2, connects to any standard telephone. Anything placed in front of the camera (which is mounted just above the 4.5-inch screen) can be "snapped" and a still picture sent to a similar unit at the other end of the line.

Thus, a user can send a shot of himself for recognition purposes, a drawing, or a business sample.
By sending one trame of the video camera's output

and keeping the transmission speed sufficiently low to suit a telephone line, a full screen is sent in about 10 seconds. The device, due to come on the market next summer, is likely to prove popular the planned price is only

CONTACTS: Oaratech; US. (617) 354 2339, Fintuc Fintand, 0 42001. Crantiteld: UK, 0234 752700. Melnicke Spothers: Denmark, 1-11 5151 or in the UK on 07373 53422. Panasonic: UK office, 0753 73181.

HE ST COM

The state of

38 (11, 23)

W = 3

· 拉·

15 To 17

# <sup>图</sup>数3 10年

10 Apr - 12 1

A 18 4 7 9

· 通り

£ 25. 336 €

A 2.8

t 49 % 32.

· 自当年 (本)

State By

S. Sealor Sales

April 240

A STATE OF THE PARTY OF THE PAR

### INTERNAL AUDIT/SYSTEMS **AUDIT/O&M PROFESSIONALS!**

Take us even further than we've come so far. . .

### Gloucester

Our success has grown from a responsive approach to change; within our competitive commercial market-place and in technological and systems advance. We are now established as a leader in the UK Life Assurance industry.

We are also part of the worldwide Laurentian Group, with a £1000m share in their £7.4bn assets. And, like them, we've developed an integrated Financial Service, covering Unit Trusts, Investment Management, and Property. This three pronged professional

challenge integrates the control of Internal Audit, Systems Audit and O & M: you'll need to be a qualified accountant, with a specialist range of skills and the commitment to lead our operations into the future . . .

# c£35k salary package

Heading an influential Audit team from our prestigious new Barnwood premises, you'll be identifying, analysing and resolving key management issues - both practically and pro-actively - and you'll be involved with a major life Assurance systems development project utilising IBM's latest system, the 3090 120 S.

Please send your full CV to Alan Austin, Personnel Director, at Imperial Trident Life Limited, 69 London Road, Gloucester,



IMPERIAL TRIDENT

IMPERIAL TRIDENT LIFE LIMITED Member of the Lagrentian Group

# Group Financial Director

London W1

circa £30,000 + Car

Our client, a well respected and award winning Design Company, has undergone dramatic growth since its recent inception. Founded in 1983, the company has established itself as one of the market leaders in graphic design, specialising in packaging and corporate identity, and maintains an impressive portfolio of blue chip clients. They have subsequently identified the need for a Group Financial Director to lead them into the 1990s.

Reporting to the Managing Director, the role will involve responsibility for their financial and management accounting functions as well as being an active and contributory participant with regards future business growth and development including acquis Candidates should be qualified Accountants, aged between 28-32. They will be ambitious with a developed sense of commercial awareness, combined with the ability to fit into a fast

moving and creative environment. The candidate should demonstrate the commi necessary to implement an ambitious growth programme over the next five years. Interested candidates, who meet this criteria should send a detailed curriculum vitae including current salary and daytime telephone number to Carol Jardine quoting reference LM418 to Spicers Executive Selection, 13 Bruton Street, London WIX 7AH.



SPICERS EXECUTIVE SELECTION A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

# IT TAKES TWO TOPULLACRACKER Can you imagine a worse time than Christmas to be friendless and alone? A mantelpiece campty of cards. A larder compty of all save the bares

essentials. And - worst of all -a life empty of the one you love most? Growing old in loneliness and poverty is e lingering death sentence that all too often hangs over the kindliest of men and women . . . people perhaps, who have devoted themselves to caring for others but who have now had their lives sadly changed.

have now had their lives sadly changed.

These are exactly the sad and kindly people the DGAA seeks most to help. Firstly with emergency funding to ease the mental anguish and bread-line existence . . . and to keep them secure in their own familiar homes. And later, if need be, with professional care in one of 13 Residential or Nursing Homes where kindred spirits – like yours and ours – can warm their lives with good companionship and conversation. And where there is always another friendly hand to help pull a cracker. As your happy Christmas draws nearer, please think of those whose hearts are filled with fear and loueliness. With your help now, we can still bring many of them tidings of comfort and perhaps even a little joy. THE DISTRESSED GENTLEFOLK'S

AID ASSOCIATION
Founded 1897. Paron H.M. Queen Elizabeth, the Queen Mother
Dept 7, Vicarage Gate House, Vicarage Gate,

London W8 4AQ. Tel: 01-229 9341 (Please make cheques psyable to "DGAA")

### **Finance** Manager

Industrial Product Distribution

c£25,000, Bonus Car

Cheshire



The company, annual turnover £70 million, is a major national distributor of a wide range of mechanical and electrical products. Delivery and service is through an extensive stockholding branch network which is on line to the Cheshire head office.

The Finance Manager responds to the Financial Director and will control both financial and management accounting, all computer based. However, the role will surely develop as the company expands its market penetration.

The position requires a qualified accountant with a first class financial and management accounting background gained within a multi-site operation. The likely age range is 35-45 for we need an experienced person and one accustomed to operating in a fast response environment.

Male or female candidates should send a comprehensive c.v. or telephone for an application form to Howgate Sable & Partners Barnett House, 53 Fountain Street, Manchester M2 2AN. Telephone: 061-228 6919 quoting reference: (F.T.144).

EXECUTIVE SEARCH AND SELECTION

### FINANCIAL ACCOUNTANT -LEISURE INDUSTRY

S.E. England

£20-£25,000 + Car + Benefits

Our client, a major forward thinking force in the leisure inclustry, recognises that part of their

success is due to their particular management style. Due to continuing expansion, the Company has identified the new role of Financial t to take responsibility for four key divisional areas; Statutory and Cash Flow Reporting, Monitoring Balance Sheet, Lizison with Auditors.

The role requires strong technical skills which will also enable you to monitor developments in the accounting industry and their impact on the Company. You need to demonstrate first class communication skills in order to further develop and manage o team.

You are likely to be a CA, either newly qualified or with a couple of years' post qualifying experience. This new role is an ideal first move out of practice into commerce and will provide ample scope for future career progression within the Company.

In return you will be rewarded with a generous remmeration partiage, plus company car and benefits, together with reasonable relocation expenses where necessary. For further information, please telephone Stephen Edwards on 01-538 5147, or at home on 0424 882913. Alternatively, send your CV to Algama, 5 Raleigh House, Waterside,

SPONSORED SECURITIES 116 100 Bardon Group Corp. Pref.
148 103 Bray Technologies
114 100 Bray Milli Corp. Pref.
227 246 CCL Group Ordinary
170 124 CCL Group 11% Corp. Pref. 8.6 4.0 13.2 9.1 3.4 7.8 154 129 Darto Pic (SE) 6.1 10.3 12.0 113 3.3 29 12.4 100 100 Torday & Cardisic Cone Pro 96 56 Trentan Holdings (USM) ... 113 100 Unistrat Europe Cone Prof 10.7 2.7 a0 29 10.1 7.4 6.3 9.4 5.0 62.5

Securities designated (SE) and (USMI) are death in subject to the rules and regulations o Stock Exchange. Other securities listed above are death in sobject to the rules of TSA

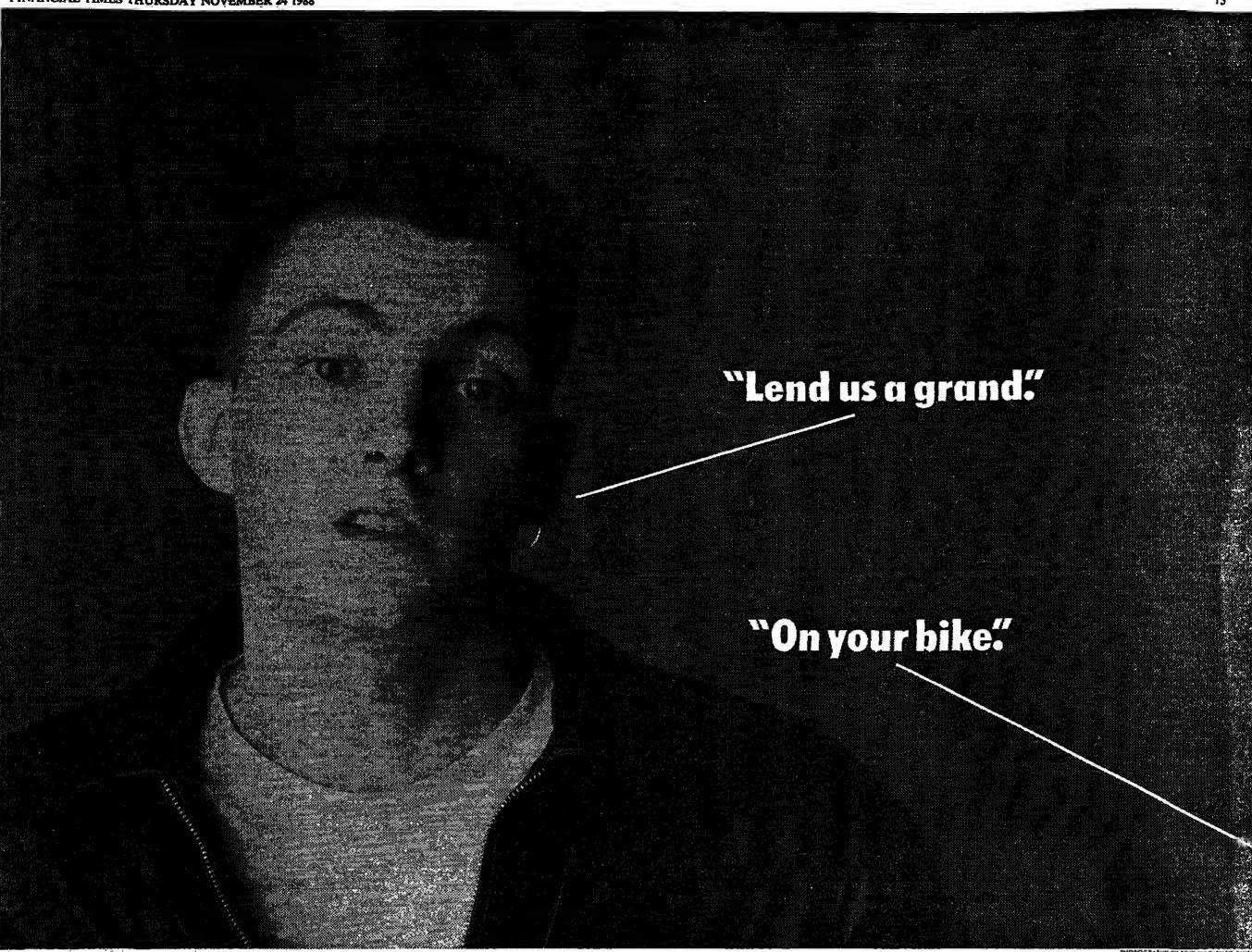
These Securities are debit in strictly on a restrict targain basis. Meither Granville & Co Limited nor Granville Davies, Limited are market makers in these assorbles

Granville & Co. Limited. 8 Lovat Lane, London SC3R SEP Telephone 01-621 1212



Genville Davies Limited

8 Lovet Lanc, London 6C3R 88P
Telephone 01-621 1212
Member of the Stock Exchange & TSA



When Sean Todd asked us to put some money into his bicycle courier business, we were all ears. He had the perfect credentials:

A UB40 card. A complete lack of the social graces. And an outright refusal (for good husiness reasons) from just about every bank in town.

We lent him £1,000. And we gave him another £800 to keep.

Are we a soft touch?

No. We're the Prince's Youth Business Trust. Our job is to give a push to 18-25s who want to start their own business.

Not just any 18-25s. We prefer to help these who deserve a break but can't get one anywhere else.

### A HARD-HEADED CHARITY.

Yes, we do good works. No, we're not just a bunch of do-gooders.

We don't prop up lame ducks. Before we pay out a penny, we have to be sure the business idea stands a chance. (Sean and his partners did some market research, pointing to the need for a fast, cheap courier service.)

We have a knack of picking winners. Eighty per cent of those we help are still in business after their first year. Last year, we helped nearly 2,000 businesses get off the ground, for less than £1,000 each.

We don't only lend cash. We also lend brains. We hand out practical advice on running a business.

And it's not the sort of advice that comes from books. It comes from working managers, who pass on some of the fips they've learnt the hard way.

### PEDALLING CAPITALISM?

We're not part of a political Master Plan. We just want to tap into some of the enterprise and initiative that's going to waste among the young.

In particular, we want to give the young disadvantaged a few advantages. And help the unemployed employ themselves.

By sticking to these simple objectives, we manage to steer dear of politics.

(A good job too, since HRH The Prince of Wales is our 'hands-on' President.)

In fact, we get our support from right, left and centre. Norman Tebhit would approve. Norman Willis does. He represents the Trades Union Congress on our Advisory Council.

### THE NEXT PUSH.

In the coming year we want to give grants and loans to 3,000 unlikely entrepreneurs.

Not all will succeed, of course. That's business. But we know from experience that even our 'drop-outs' learn a lot. Nearly all end up working, even if it's working for someone else.

All this costs money. That's why we're making this Appeal. Our target is £40,000,000.

The government will match, pound for pound, the cash we raise from iadustry. If you donate £10,000, we'll receive £20,000. (That's not a minimum donatioa, just a gentle hint.)

If you'd like to help, either now or later, in a small or a big way, please send the coupon.

Finally, if you need a fast courier service on the South Coast, please call Dolphin Cycle Couriers on 0273 602126.

(You wanted a plug, Sean. How's that?)

Business Trust, 4th floe	made payable to The Prince's Youth Busine Pervin, Chief Executive, The Prince's You , 10 Mills Place, London WIR IAE If you'd El her ways to help the Trust, please tick here.	th
Position proprietty		_
Address		<u> </u>
Pastcode	Velephone	_
The Prince's Youth Busin for more information, t	ness Trust is a registered dente.	

THE PRINCE'S YOUTH BUSINESS TRUST.



### Corporate magazine

# **Austin Rover's direct** marketing drive

Philip Rawstorne on the UK car company's tailored campaign ence to which the magazine is

the UK car market feil below 15 per cant for the first time last year, Austin Rover decided to invest £6m in launching a new direct market-ing project. Catalyst is designed both to win new customers and, more especially, to

retain existing ones.

Compared with the £22.5m spent on advertising the Metro hatchback and the Rover 800 models alone this past year, the cost of the project is mod-est. But Austin Rover claims the initial results have been so promising that work has already started on extending the programme across Europe.

A British building society

and an insurance group are considering the use of modified versions of the project; and software for the computerhased programme is heing exported to Australia and Can-

Catalyst, devised by Systems Market Link (SML), a direct marketing company based in Marlow, Buckinghamshire, is centred on a free, quarterly, glossy magazine, edited hy Michael Parkinson, the journalist and television personal-

In February, the first edition of the magazine was sent to 600,000 Austin Rover customers, and another 200,000 to potential customers. A second edition has since been distrib-

Each recipient was asked to fill in a questionnaire to pro-vide details of car ownership, time of purchase, and plans for replacement. More than 300,000 responded – and more are doing so, with a little prompting. "If all of them buy what they say they are going to huy next year, then that will go a long way towards meeting Austin Rover's sales target," says Chris Richards, SML man-

aging director. Catalyst feeds all the infor-mation gleaned from respondents into a computer databa and aims to keep these - and other - prospective customers warm by means of a carefully integrated marketing plan.



Rover's magazine which was published earlier this year

Readers of the magazine itself - which, of course, carries news of Austin Rover's latest models - are able to tailor its contents to their individual interests by choosing any three sections for inclusion from a list of six - sport, home and garden, entertainment, food and drink, women's interests, and travel.

"This ensures that the middle-aged country woman who is known to be interested in gardening is not confronted with a two-page feature on shark fishing in Cornwall," says Richards. "Or that the thrusting young executive with an enthusiasm for aport doesn't have to flick through

the latest knitting patterns."
Also into the magazine goes personalised letter, usually signed by the reciplent's local Austin Rover dealer, There are no fewer than 86 versions, designed to maintain a dialogue with the customer about such things as manufacturer's warranty, servicing, and MOT

The logistics of the magazine's production are stagger-ing. It is edited in London, printed in Dorset, the permuta-tion of inserts sorted out in Manchester, bound in Daven-try, and then re-sorted and The carefully targeted audi-

growth markets."

Doyle presented his vision of the potential of marketing in the UK at a Marketing Society conference in London last week. He suggested that Britain's industrial performance in recent years represented a paradox. There had been extraordinary improve-ments in productivity, efficiency and cost structures. "A fantastic turnround has taken place," he said. But there had been a continued fall-

ure to penetrate overseas markets especially in the areas of fastest To explain this paradox, Doyle

suggested that there were two types of company in Britain — marketing-led or "right hrain" companies, and financially-oriented, or "left brain" companies.

Right brain companies — such as Deckel as November 1

Reebok or Next — were fairly rare in Britain. "But if you open a Japanese company's annual report," Doyle said, "the first line defines the central corpo-

# the time is ripe for a marketing renaissance in British industry. Selling products by "Quite simply, there is nowhere agement at Warwick University. "Further substantial improvements in profits from productivity improvements and rationalisation are not possible," says Doyle. "Companies are now beginning to look at marketing to help them build volume and market share, and to make a thrust into today's new growth market thrust into today's new growth market thrust into today's new growth market into today's new growt

said. "Open the annual report of any British company. The central objective is not a market share goal but a finan-A profit target was set and then the

budgetary requirements for achieving it were worked out. Decisions about price, distribution and promotion flowed from that. The good consequences of this left side focus had been anhstantial increases in productivity and profits. "The bad, and longer term conse-

quences, are a gradual loss of market share, especially in those industries subject to the most rapid change."

There was no way that marketing

could deliver gains quickly and easily. "The reason why left brain thinking has been so popular is that it is easy. Anyone can improve the short term profit and cash position of a company; all you do is cut."

For Power or Jeruar to sain market

For Rover or Jaguar to gain market share was a tough job. "It means prod-ucing better cars than Honda, Mercedes

and Volkswagen . . . being better than the best companies in the world."
Doyle said that the way in which Sir
Michael Edwardes and Lee Iacocca had respectively tackled the problems of British Leyland and Chrysler illus-trated the issues of left and right brain

thinking

lacocca — looking at Chrysler's problems from the right brain point of view

asked why the company was doing
so badly. His answer was that Chrysler made lousy cars. So he solved the basic marketing problem and developed bet-ter cars. The result was that they wanted him to run for President of the United States.

Sir Michael, on the other hand sir Michael, on the other hand, attacked the problem of productivity at BL, sorting out the unions, pruning costs drastically and rationalising. "Now productivity is at record levels – but is British Leyland or Rover's position a stronger or weaker one?

Marketing effectiveness was much more important than production effi-

more important than production effi-ciency. Doyle continued: "Too many companies today are obsessed with growth by acquisition . . . the evi-



dence is overwhelming that businesses built this way almost invariably fail." Investment over a long period in products, distribution, service and people was what was needed. Heineken had built its premium position in the US beer market in this way.

Kronenberg, the French brewer, had tried last year to attack this position Philip Rawstorne

### How exhibitions 'can make financial sense'

f it costs a company £150 on average for every sales call, then spending £30 for a useful contact at an exhibition makes a lot of financial sense. At least that is how Britain's huoyant exhibition industry justifies the £506m spent by UK companies on all types of exhibitions last year.

That £506m was some 18 per

cent higher than the 1986

expenditure on exhibitions, a rate of increase that makes

exhibitions one of the fastest

growing communications weapons in the marketing

manager's armoury.
Figures released this week

from the Incorporated Society

of British Advertisers (ISBA)

show just how prosperous a market exhibitions have become. British companies

spent £329 on stand construc-tion and space last year, np 27

per cent on the year before; by

adding on agricultural shows and private exhibitions the total is pushed up to £506m.

too conservative. Dr Greg Richards, senior lecturer in leisure

and tourism at the Polytechnic

of North London, this week unveiled - at a seminar on the

exhibitions industry - the pre-

liminary findings of a survey

Yet even this figure may be

can he varied according to what model is being bought, its availability, and whether the huyer is switching from another make of car, A prospect who does not respond to the VIP pack gets another telephone call from the dealer to recheck his intentions - and, according to his response, is re-filed as hot if he is still in the market, cold if he has deferred purchase, or dor-

addressed is already attracting advertisers of auch goods as cycles, cigarettes and coffee as

well as motor accessories, and balping to defray Austin

Rover's costs.

But that is just half the

story. The computer database hullt up from information sup-

automatically triggars more direct marketing activity, Six months before a prospec-

his intentions.

If he intends to buy, and

apecifiea an Austin Rover

model, he is then sent a Vehicle Information Portfolio

hack brochure (paperbacks tend to be thrown away) on the

The pack may also carry a test drive offer and perhaps a

further incentive to buy. Infor-

mation from the database, again, enables such an incen-

tive to be tailored to the huy-

er's interests; and because of the precise targeting, its value

model he has mentioned.

a VIP pack including a hard-

mant if he has turned to a rival model. tomer retention programme slips into gear again. Apart from the magazine, the new car buyer is also offered access to the Catalyst Collection, a quarterly selection of goods and services at competitive

The current catalogue ranges from gold-plated pocket watches to solar panel garden lights, from a weekend's tuition in sculpture to a session on Gatwick's flight simu-lator.

of 35 key exhibitions which suggests that spending by all exhibitors from both the UK and overseas was closer to

The total number of UK exhibitions held last year was 510, occupying 66,000 stands, as against 472 and 52,000 respectively in 1986.

At the same time, the ISBA figures show that British companies spent some £155m on exhibitions overseas last year, a third of which were jointly financed by the British Over-seas Trade Board. The findings of the ISBA and

Richards are part of a serious attempt by the exhibitions industry to quantify what over the years has been largely con-sidered a promotional expendi-ture and about which there was a shortage of hard facts. A survey carried out earlier this year by Cahners Exhibi-tions (a leading exhibition organiser) and Exhibition Support Services (a marketing consultancy) tends to support the upbeat view of prospects. It found that 41 per cent of the 105 companies surveyed had a

favourable opinion of exhibi-tions; that 28 per cent felt they were poor value; while 17 per cent said they were of varied

success, 9 per cent said they were fairly successful, and 5 per cent said they were Richards says that some

exhibitions are regarded as essential, because "everyone goes. But large exhibitors can influence attendance by others and make or hreak particular exhibitions."

What worries companies most about exhibitions is the lack of accurate data about who attends such events and why. This helped prompt the setting up earlier this year of the Exhibition Industry Federation, bringing together all the interested trade associations in an attempt to present a united front about what exhibitions have to offer. who attends such events and have to offer.

"Companies are looking for ways of measuring the effec-tiveness of exhibitions against other forms of promotional spend," points ont Jeremy Sale, the federation's newly-appointed director. Hence the federation's decision to sponsor various forms of research.

Harry McDermott, managing director of Exhibition Surveys, told the seminar that the cost of £30 per useful contact at exhibitions was "the soundest reason for treating exhibitions

fessionally."
He said that companies con-

sidering exhibiting should bear in mind a number of factors: • a measurable objective should be set before exhibiting, even if it is only something along the lines of "to meet 500 people who can influence the purchasing of our products"; • the target audience and the type of exhibitions they will attend should be identified; the value of those exhibi-tions should be established by, for example, looking at how many of the target audience

previously..

The picture of a typical exhibition visitor, according to Exhibition Surveys' analysis of some 4,000 research studies, shows that some 5.8 hours are spent per visitor at a UK show, with 12 stands visited. Similar research in the US found that Americans spent longer at exhibitions (7.8 hours) and vis-

hava attended the exhibition

exhibitions (7.5 hours) and vis-ited an average of 21 stands. The analysis also suggested that US exhibition visitors were more interested in what they saw than British visitors. Exhibition Surveys found that only 31 per cent of British visitors considered the exhibition

more seriously and more pro-fessionally." interesting, compared with 45 per cent in the US. Richards' preliminary survey of key exhibitions also pro-duced new figures showing

that overseas visitors -although accounting for only a fraction (under 5 per cent) of the 8.5m people who visited exhibitions last year - repre-sented about a third of their total expenditure of some This was because overseas

exhibition visitors spent on average £734 psr exhibition, compared with £127 for domestic visitors staying overnight and only £16 for day visitors. Although the exhibitions industry is heavily dependent on the overall level of economic activity for its current huoyancy, the ISBA survey of exhibitors found that just over a fifth planned to spend more on exhibitions in the current year with almost three-quarters expecting to spend about the same. Only one company in every 20 said it would spend less on exhibitions in 1989. \*Exhibition Industry Federa-tion, 207 Market Towers, Nine

Elms Lane, London SW8 5NQ.

David Churchill

### **COMPANY NOTICES**

HILL SAMUEL OVERSEAS FUND

SICAV uxembourg, 37, rue Notre-Dame R.C. Luxembourg n° B 8422

### Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Annual General Meeting which will be held on December 9th, 1988 at 2.30 p.m. at the offices of Krediethank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourg, with the following agenda:

Submission of the management report of the Board of Directors and of the report of the Statutory Auditor

val of the annual accounts and appropriation of the results as at

exproval of the annual accounts and appropriation of the results as at September 30th, 1988 Discharge to be granted to the Directors and to the Standary Auditor for the proper performance of their duties for the period ended September 30th, 1988

Ratification of the co-option of Mr. R.F. Pennells as a Director Receipt of and action nomination for election of Directors and the Authorized Auditor for a term of one year Any other business.

The shareholders are advised that no quorum for the items of the agenda is required and that the decisions will be taken at the majority of the shares present or represented at the Meeting. Each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

By order of the Board of Directors

### TRANS-NATAL COAL stated in the Republic of South Africa) ("Trans-Natal")

At the anaual general moeting held of 23 November 1983, the members of Trans-heat trainfed the disposal to General editions of the decolorment and menage-ment rights as the T-Pouject and the acquisition by General of an equity par-

JOHANNESBURG 24 November 1964

### Second Series Floating Euro-Dollar Repackaged Assets of the Republic of Raly due 1993 F.E.R.A.R.I. II

For the period from November 25, 1988 to February 27, 1989 the notes will carry an interest rate of 9 3/8 0/0 per annum with an

The relevant interest payment Benque Paribes (Luxembourg) (L.A.

ART GALLERIES

The Letevis Gallery, 30 Brutos Street, don W 1 01-483 2107. An Enhibition of Scoresh Colourists. Poptos and Code Nov.-18 Doc. Mon-Fri Idam-Spm.

### **LEGAL NOTICES**

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company which is being voluntarily wound up are required on or botors the 38th day of Docember 1968 to send in thair full names, their addresses and descriptions, full particulars of their dabts or claims and the names and addresses of their Solicitors (II any) to the undersigned Mr. Anthony Hallrousson FCCs of Julie House, 3 Thamisticcies Dervis Street, P.O. Box 1812. Nicosia, Cyprus, the Liquidator of the saled Company, and if so isolating the house, 3 Thamisticcies Dervis Street, P.O. Box 1812. Nicosia, Cyprus, the Liquidator of the saled Company, and if so isolating by notice in writing from the sale Liquidator, are personally or by their Solicitors, to come in and prove their depicts or claims at such time and place as shall be specified is such motice, or in default thereof they will be excluded from the bonefit of any distribution made before such dabts are proved. NOTICE IS HEREBY GIVEN that the creditors

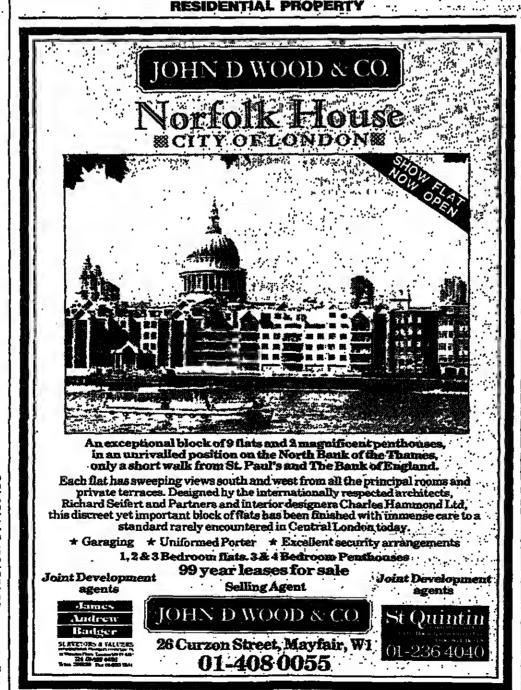
Dated this 24th day of November 1988 Hajirousson FCGA

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION MR JUSTICE MERVYN ILAVIES IN THE MATTER OF NORCROS

and -IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 24th day of October 1988 CONFIRMING the REDUCTION OF CAPITAL of the above-named Company from E45,000,000 and the Minute approved by the Court showing with respect to the share capital of the Company, as altered, the several particulars required by the above ed. were legistered with the Register's of Companies on the 28th October 1996.

SLAUGHTER AND MAY (LHS) 35 Basinghall Street, in the City of London, the Solicitors for the



### **PUBLIC NOTICES** INOUIRY AND PROPOSED TAKEOVER OF SCOTTISH AND NEWCASTLE BREWERIES BY ELDERS IXL Advertising The Monopolies and Mergers Commission which is enquiring into the proposed takeover of Scottish and Newcastle Breweries by Elders IXL would like to hear from anyone who has any views or information which may be useful to the inquiry.

Evidence in writing should be sent as soon as possible to:-

The Reference Secretary (SN/Elders)

Monopolies and Mergers Commis

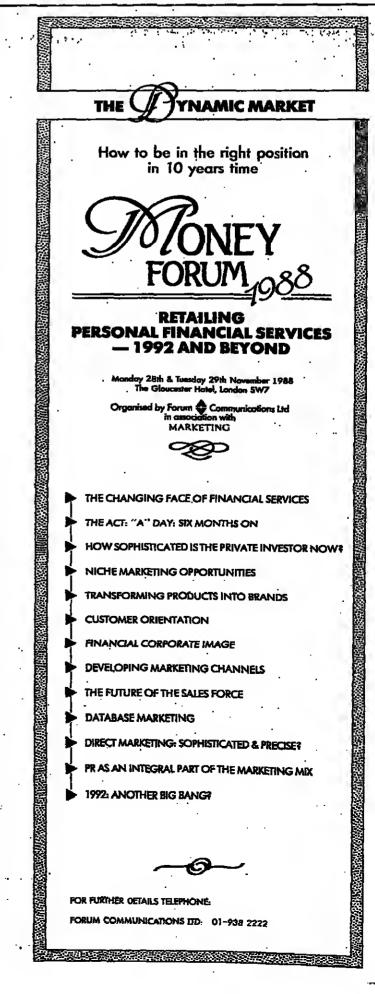
48 Carey Street London WC2A 2JT

INTERNATIONAL RESIDENTIAL PROPERTY

Appears in the Weekend every Saturday

For further detaila please contact CLIVE BOOTH Tel (01)248 5284 Fax (01)248

4801



A scene from "The Spirit of Fugue"

# The Spirit of Fugue

COVENT GARDEN

∵)IN'

Rawstone

THE FLORE

And the fact that the state of the state of

Ling Certification of the cert

in part

100 mg

in ibne 🍆

dipode

Still med : Start parter

1 7 m 12

3 150

id Church

work half as enjoyable as it is accomplished; I wish I could believe that he is working in a new choreographic voice that I am too stuffy to recognise as

As so often with this chore-ographer, The Spirit of Fugue, receiving its première on Tues-day night, is more fun to think about than to experience - certainly on first acquaintance. Bintley, working once more with the composer Peter McCowan, has been inspired by the work of Bach — A Musical Offering in particular. The ballet features repetition and elaboration of dance material, in no strict pastiche of baroque principles, but in an eighties spirit acquainted with minimalist repetition and neoclassi-

The ballet is for 15 dancers; its main events occur in solos. duets and trios. Bintley has not only the music of Bach on his mind, he has the choreography

BARBICAN HALL

magical scherzos, this concert flickered briefly with interest

and was gone in a trice. It

must have looked an imagina-tive idea to harnass a pair of

relatively neglected choral

pieces for the Barbican's Schubert and Mendelssohn

series, but in the event neither

was at all substantial and the

two put together evaporated in

With its scenery of forests and rocky crags, and its moon-

lit tryst of witches riding on wolves and dragons, Mendels-sohn's Die erste Walpurgis-

nacht must rank as the ulti-

**ARTS GUIDE** 

barely an hour.

Ranga, sophistication, tet for Cope and three women. Scholarship; with every new ballet he makes, David Bintley earns more ticks in these columns. I wish I could find his Ballet Imperial or Walpurgistion of kneeling women as in Ballet Imperial or Walpurgisnacht, for example — so does the question; does Bintley know that he is quoting, or do Great Moments From Balanchine nour through his head chine pour through his head without his knowing them for what they are? Such is his timing, we never know.

It is an uneasy experience, watching a pure-dance work watching a pure-dance with like this. The Spirit of Fugue is so fully based on study of choreography by the masters, so smartly organised, so full of material that stretches its dancers to work hard, that I want to go on admiring its accomplishments. But at the heart of the ballet is dancing, and the dance material is composed of phrases that seem to me ill-digested.

Alongside the gestures, for-mations and steps from Balan-chine ballets, there are arm gestures from Ashton ballets and Cecchetti classwork, and acrobatic lifts from MacMillan of Balanchine. It was easy to spot references to Apollo — a semi-recumbent pose for Jonathan Cope, an allegro solo for Deborah Bull, the initial quaronly recognise his sources.

The Classical Romantics

schedule in any concert.

The work is little more than

a curtain-raiser, but in this

programme it found itself pro-

moted above its station to be the main event of the evening.

The English Chamber Orches-

tra duly accorded the com-poser's elfin orchestral writing

some better than average

playing and there was a well-chosen trio of soloists: Anne

Howells and David Rendall,

but in particular Stafford

Dean, marvellously sepulchral

The best feature of the con-

cert, though, and the one that made the event just worth the

visit, was the singing of the Tallis Chamber Choir, whose firm focus and vitality gave a

much-needed demonic energy

to the performance. If only

in tone as the bass Priest.

Like one of Mendelssohn's makes it a difficult piece to

The quadruple bill also included a revival of Balanchine's Apollo (to make Bintley's references more evident), blighted by the excessively slow conducting of Isaiah Jackson. This was not Apollo as the raw explosion of classicism that we know from other performances, but Apollo as staid elegy. It was followed -Minkus hotfoot after Stravin-aky, forsooth — by the *Don Quixote* pas de deux, in a ner-

vous and immature performance by Viviana Durante and Errol Pickford. This bonnebouche needs brio; it was given none from the pit, and found none onstage. These two danc-ers are young, and will plainly fare better in other circum-Only in the evening's con-

cluding ballet, Frederick Ash-ton's A Month in the Country, were there performances that had no fakery in them, and for which one heard the music betwhich one heard the music bet-ter. These were the Natalia Petrovna of Antoinette Sibley and the Beliaev of Anthony Dowell. This ballet is now staple fare at Covent Garden; it is part of the genius of these two senior artists that they make it

Alastair Macaulay

they could have persuaded Jef-

frey Tate, so sound and solid a

conductor, to wade into the

pagan revels with a little more abandon, as that is where one

feels Mendelssohn is really

In the early G Major Mass,

D167, by comparison, one senses that Schubert is enjoy-

ing himself very little. This is

an unambitious, youthful work that is fine for amateur choirs

at the local church, but gives

the best professional forces like these little with which

they can make an impression. Only in the "Agnus Dei," with Felicity Lott twirling elegant

embellishments over the cho-

rus, is there a glimpse of Schubert the master, and by

Richard Fairman

then it is too late.

enjoying himself.

# Cragg wins the revamped Turner Prize

The Tate's new director, Nicholas Serota, has swept away the hype, the short-lists and the betting, to make a fairer race. William Packer reports

The Turner Prize for 1988, spon-sored this time by Drexel Burnham Lambert, has gone to the sculptor who repre-sented Britain at the Venice Biennale in the summer. Tony Cragg. Given the changes made in the terms and presentation of the prize, the result is neither unexpected nor controversial, which is cause for some modest satisfaction.

For the Turner Prize, snhstantial though it is at £10,000, has yet to catch the popular imagination in the way of some awards made in other fields, such as the Booker Prize. Established in 1984 as the Booker Prize. Established in 1964 under the auspices of the Tate's Patrons of New Art, to be given, in the words of the catch-all citation, "to the person who, in the opinion of the New Art Jury, has made the greatest contribution to art in Britain in the previous 12 months," the Turner Prize was intended from the start to be the pre-eminent accolade of the visual arts, but it has never quite worked out like that. Even now I suspect it is the John Moores
Prize, hardly more generous but won in
open competition, that still carries the
more prestige within the British art
world and the prize that artists themselves would most like to win (things heve gone ominously quiet in that quar-ter lately, and we can only hope that the Moores has not been quietly

dropped).
Nicholas Serota, the Tate's new Director, has made no secret of his own dissatisfaction with the old way of making the award, with its several stages of open nomination; published short-list; display of work; show of betting; and the final opening of the envelope before



Nicholas Serota with winner Tony Cragg on Tuesday night

a breathless, thirsty crowd. It comes as no surprise, therefore, that he should make some changes. The citation now specifies an artist as recipient, thus ruling out the possibility, remote as it was, that a curator or a critic might carry off the loot. And gone is everything that was public between the nomination and the final envelope — no short-list, no exhibition, no crowded reception for the

This year the jury deliberated entirely in private, with its pontifical judgement delivered by Alan Yentoh of the BBC, as it were ex cathedra, absolute and indisputable, in the simple bald statement of the name to the several and indisputable and the several and indisputable. Inte and indisputable, in the simple bald statement of the name to the several hundred guests at dinner last Tues-have used the image of the Turner Prize

day night in the great central hall of the Tate. Of course there was specula-tion beforehand, with Lucian Freud the favourita and a general feeling that Tony Cragg was indeed his main rival. So in the event it proved.

For all his reformer's zeal, Mr Serota could not resist acknowledging the competitive nature of the award and the general wish to know who the run-ners were. He teased us as we sat down with the handful of names that had achieved final consideration: Freud and Cragg and, among others, Alison Wild-ing and Richard Long. The result came

as a race before, as Cup, Stakes, Handi-cap, Selling Plate or whatever, and not always with the utmost serious tests 210,000 may be serious money, but not as serious as all that. And it remains a race of sorts, even if we have to wait for the declarations on the day and then see it turned into a walk-over. Its seriousness rests not on the money to be won, nor even on whether it is a race or not, but on the nature and quality of the field by which the quality of the winner is celebrated.

In the past, the winners as individuals — Malcolm Morley, Howard Hodgkin, Gilbert & George and Richard Deacon — have all been well enough established to justify the award, even though on occasion one may well have preferred other candidates. The prob-lem has been that the fields, declared so iem has been that the fields, declared so well in advance, have been seen to be so manifestly ill-matched as to discredit all thought of any race as such being truly run.

It is surely right to narrow the scope, so that all the artists under consider-ation, far from being included for the sake of a token compliment, may have a real chance of winning. Running the race in private too, though it may seem perverse, will have the same effect of strengthening the field, for there can be no point in the jury indulging itself in

private gestures.

The winner emerges the more emphatically for his splendid isolation, and Tony Cragg is a worthy if uncon-tentious winner to add to the list. The dinner is a civilised, decorous and enjoyable innovation. Yes: the changes seem, for the moment, worth the try.

### Ciro in Babilonia

TEATRO DELL'OPERA GIOCOSA, SAVONA

For over a decade now, the Ligurian Teatro dell'Opera Giocosa has been presenting important revivals of little-known operas, mostly from the 19th century. Their impressive repertory includes a number of rarities by Rossini, Cimarosa, Salieri, Donizetti. Because their activity centres on Savona – with an occa-sional visit to San Remo or La Spezia – they have not attracted perhaps as much attention as they would merit beyond their home region. Fortunately, some of their revivals have been recorded.

Their brief current season opened recently in Savona's lovely Teatro Chiabrera. The opening evening was a full-scale revival of Rossini's Ciro in Babilania, the first staging in this century of the youthful, but crucial work. After the important Rossini revivals in Pesaro and elsewhere, Ciro was one of the few of the composer's works not yet re-introduced to the conemporary public. As this staging proved, it well deserved reexamination and the Teatro dell'Opera Giocosa has put Rossinians in its debt. In 1812, when he was twenty,

Rossini wrote five operas, four of them comic, and one - Ciro in Babilonia - his first venture into the dramatic vein which, a year later, was to give him Tancredi and success. Ciro was first presented in Ferrara on 14 March 1812, starring the zosoprano Maria Marcolini, who had been largely responsi-ble for its composition, as she influenced other Rossini works at the time. As the work was given during Lent, it had to have a Biblical subject; and a Ferrarese amateur, Francesco Aventi, confected a "dramma con cori involving Cyrus, Bel-shazzar, the prophet Daniel, and others. Though the actual verses are not unworthy, the drama has virtually no shape; it is, in essence, a series of scenes, some of which inspired the composer to rich invention; others, less.

But for Ciro, the travesti mezzo, there are superb moments: an affecting prison scene, a long farewell to wife and child; and for Amira, Cir-o's wife, there is a particularly elaborate and eloquent aria, with violin obbligato. There are also lively choruses — as one might expect — and, in the second act, the first (and by no means least impressive) of Rossini's "storms",

The Savona cast was largely young, but not inexperienced; and everything was carried off with vigour and skill. As Ciro, Caterina Calvi displayed sensi-tivity and agility, though a somewhat larger voice might have done greater justice to the music. Amira was the noble, lyrical Daniela Dessy Ceriani, an acute Rossini inter preter, as is the tenor Ernesto Palacio, who was Belshazzar. Among the smaller roles, Zambri, a Babylonian prince, was confidently sung by the bass Stefano Antonincci, and Arbace, a Babylonian officer, revealed a promising tenor Enrico Cossutta.

The Orchestra Sinfonica di San Remo is serviceable; and the young Carlo Rizzi con-ducted a shapely performance, sometimes taking a cabaletta just a bit slowly, to allow the singer to get the notes right without gabbling; but even when the tempos were not fast, they were never flaccid. The "Francesco Cilea" Chorus of Reggio Calabria also made a

positive contribution. Operating on a fairly small stage (and presumably a small budget, as well), Virginio Puecher, as both producer and designer of the sets, stuck to simplicity. The sets were panels that moved - not always silently - to create varying spaces, occasionally enriched with a platform, some steps, a with a platform, some steps, a few objects. The performance, visually, was tactful, apposite, always allowing the music to speak for itself. And the young Rossini had a great deal to say.

William Weaver



Alan Cumming and Carol Ann Crawford

### The Conquest of the South Pole

**ROYAL COURT THEATRE** 

Michael Coveney praised this 90-minute study of fantasy and dignity in the midst of hope-lessness when performed at the Edinburgh Traverse last summer. Stephen Unwin's production of this play by the German Manfred Karge, anthor of the successful Man to Man, now arrives in Sioane Square, an exhilarating example of ensemble playing and an exercise in refreshingly indefinable theat-

ricality.
The four chronically jobless young men in a German town begin to recreate Amundsen's 1909 expedition to the South Pole, much as schoolboys play at being their favourite heroes, complete with stolen goods from a winter sportswear shop, in an attic. Their leader is Slppianek, played with hypnotic thrust and coiled anger by Alan Cumming (half, incredi-bly, of the limpish-wristed cabaret act Victor and Barry), an obsessive determined to shut

out reality by taking the roleplaying seriously.

Despite a mutiny when one

of the quartet senses that Shackleton, the failure, would be an apter exemplar for the boys' bleakly unpromising prospects, they finally achieve a stylised triumph: a conga that snakes and staggers its way round the stage as they count the steps aloud to fulfiment on the dining-room table. For all its simplicity, this routine has the cumulative physical panache of such set-pieces as the coal-stealing in Chips with Everything, and takes the audience with it completely.

Tinch Minter and Anthony Vivis have translated with the right blend of demotic roughness and unself-conscions articulateness - the Scots accents are appropriate for working class eloquence: the corresponding English no-hop-ers, one fears, would simply lack the vocabulary. Reading the text, one is struck by Karge's lack of stage direc-tions; the flexibility this allows the director holds the danger of a self-indulgently plodding

But the Traverse production whisks us along breathlessly on Lucy Weller's black and grey abstract set with its concealed enphoard from which leaps poor simple, stuttering Frankieboy (Ewen Bremner) loyally barking as a devoted husky. It is Frankieboy who clings to the South Pole illusion after the others variously drift away or leap madly from the job-centre window or, as with Slupianek, rouse themselves at the sound of a baby's cry. A glimmer of bope, perhaps, which is all the produc-tion's own, ends this enigmatic, beautifully acted import which sums up the Traverse at its best.

Martin Hoyle

# mate musical essay in early romanticism. The groundwork for a splendid opera or full-blown cantata is being laid here and yet the composer left only this so-called "Ballade," whose half-hour duration

**EXHIBITIONS** London -

The Royal Academy. Henry Moore, a full retrospective exhibition to mark the 90th anniversary of the birth of one of the great artists and pre-eminent sculptor of the 20th century. Ends Dec 11. The Royal Academy. Toulouse-

The Royal Academy. Toulouse-Lautree: The Graphic Works.
A comprehensive selection prin-cipally of lithographs from the definitive collection of Otto Gar-stenberg. Joint admission tickets are generally available for con-current exhibitions at the Royal Academy. Ends Jan 4. The Hayward Gallery. Three concurrent exhibitions. Elsen-stein 1898-1948; His Life and Work; the first major study of Work: the first major study of the career of the great Russian film-maker, Sergei Eisenstein Nam June Palk: Video Works 1963-88 (both until Dec 11). The Tiger Rugs of Tibet, which are little known in the West and

shown in this way before.

Ends Dec 4.

Louvre. Pavillon de Fiore. Ramshow in two exhibitions at the Louve. Entry from the Quai des Tufleries, opposite the Pon-troyal (42603926). Galerie Daniel Malingue, Mattres Impressionistes et Modernes. Vieira da Silva, with an image viele da Siva, wat an image broken up in countless slate-grey squares, their perspective plunging ad infinitum, opens an exhibition strong in colour and rigorous in choice. 26 ave Matignon (4266033). Closed Sun, Mon mornings and lunchtimes. Ends

Musée d'Orsay. Cézame. The
Early Years (1839-1872). The 63
paintings and 30 drawings and
watercolours, already seen in
London and on their way to
Washington, reveal a neglected
period of the artist's life. Closed
Mondays. Ends Jan 1.
Picasso Museum. The 17th century Hotel Sale, sumptiously
restored, provides a fitting home
for the world's largest collection
of Picasso's work. Renoir.
Cézame and Douanier Bousseau.
5 rue Thorgny. Closed Tuesdays. 5 rue Thorgny. Closed Tuesdays. Musée de Chury. Medievel art in Paris. Place Paul-Painlève, Métro Odéon. Closed Tuesdays

ind functimes. Grand Palais, Seicento, Caravaggio's century in various French collections, Closed Tue, late closing night Wed (42.56.09.24). Ends

Jan 2. Centre Georges Pompidou. Ger-ard Gerouste. Closed Tue (42.77.12.33). Ends Nov 25. Chapelle de l'Ecole des Beenx Aria. From Direct to Baselitz.
Some 126 drawings lent by the
Kunsthelle in Hamburg retrace
the panorams of German graphic
art. 14 rue Bonaparte (49.27.01.18). Ends Dec 31.

Brussels Galerie Isy Brachot, 62A Avenue Louise. John De Andrea. Hyper-realist sculptures. Closed Mon. Ends Nov 28, 511,0525. Musee d'Art Moderne, 1-2 Place Royale. The First Group of Læ-then-St Martin 1899-1914. A trib-ute to the colony of Flemish art-ists whose stylised paintings of rural and religious themes usée d'Art Moderne, 1-2 Place were to inspire a later school of Flemish expressionists. Closed Mon. Ends Dec 31. 

Musées Royaux d'Art et d'Histoire, Parc Cinquantenaire. China, Heaven and Earth, 5,000 years of Invention and Discovery. Instruments and artworks largely from collections in Bel-gium, China and Britain which gium, China and Bureau williastrate Chinese innovations in science and technology. Closed

Monday.
Musée d'Inelles, 71 rue Jean van
Volsen. Belgian Art Deco
1920-40. Defly 13-19-30. Sat and
Sun 19-17-00. Closed Monday. Ends Dec 18.

### Dermafadt

deches Lande Glassworks and paintings of the British artist Brian Clarke will be seen for the first time in Ger-many. He made his name with his lead glass windows, for the new Synagogue, opened this week in Darmstadt. With the blue and red coloured windows he symbolises the suffering and hopes of the Jews, Ends Jan 29.

Historiches Museum der Stadt Wien (The city of Vienna's Museum for history). A commem-oration of Kristalinacht, which took place throughout Austria on the night of November 9 and 10 1938. This exhibition, which takes the form of slides, pictures and maps depicting Austria's 180,000 strong Jewish community before 1938, is an attempt by the Austrian Government to become more open about its ignominous past Ends Jan 29.

Museum für Volkerkunde. The museum has put together from all over the world. Two hundred years of Australia 40 000 mars.

years of Australia, 40,000 years of Australians,

### ssion The Austrian painter Walter Eckert is now on exhibi-tion until November 20. Worth also seeing Gustav Klimt's famous Frieze now back in its

namous riseze how back in its original place.

Messepalast. Post-war Austrian sculptures include Alfred Hrdlicka, probably the country's most celebrated artist. His work along with several of his contempories are on display for several. pories are on display for several more weeks. Hexmes Villa. Portraits by the fin-de-siècle artists, Gustav Klimi and Emilie Floege. Ends Feb 19.

Albertina. Drawings by Alfred Hrdlicka, one of Austria's most controversial artists who managed to divide public opinion on plans by the City of Vienna to build a memorial to those who fought in the resistance during the Second World War. Ends

#### Sala i (Piazza di Porta s. Giovanni 10). Roman Americans, a group show organised by artist and New York Times art critic Edith Schloss with works in var-ied styles. Until Nov 30.

Museo Correr a la napoleonica: Giorgio de Chirico (1888-1978): e major retrospective organised jointly by the Gallaria Nazionale d'Arte Moderna in Rome and the Giorgio de Chirico Foundation to celebrate the centenary of the painter's birth, Ends Jami-

Pinacoteca Nazionale and Museo Archeologico. Guido Reni (1575-1642). A splandid collection of paintings by the Bolognese

### mannerist painter, the first to bring physical beauty into sacr art. Until Dec 8.

New York Metropolitan Museum of Art, An exhibition of srchitecture on paper covers four centuries of drawings including works by Frank Lloyd Wright, Louls Com-fort Tiffany and Arata Isozaki, as well as the west facade of the Alhambra that dates back to 1550. Ends Jan 8.

1580. Ends Jan 8. Metropolitan Museum. The first major Degas retrospective for over 50 years has 300 paintings, sculptures and drawings cover-ing the artist's entire career and various interests, from early clasvarious interests, from early classical motifs and stiff portraits to the ballet studios and washerwomen that freed his imagination. Ends Jan 8.

New York Public Library. Two millennis of Hebrew books and librariated.

illuminated manuscripts feature 185 rare and beautiful works. Ends Jan 14. Chicago

### Art Institute. Paul Gauguin. The

artist's first major retrospective for 30 years includes more than 230 objects and paintings from all the periods of his exotic and far-flung life. Ends Dec 11.

#### Washington National Gallery. The largest

show of Michelangelo's drawings ever mounted in the US illustrates all the principal phases of his artistic development. Ends Dec 11. National Gellery. Seven Centu-

ries of Japanese Art, as it evolved under the feudal daimgo lords is the subject of a major exhibition of 450 specially desi nated Japanese national trea-

# sures, including paintings, sculp-ture, swords, painted scrolls, ceramics, robes and lacquer. Ends Jan 23.

November 18-24

Tokyo

National Museum of Modern Art. Genealogy of Realism: oil paintings from the Meiji Era (1868-1912). Japan's first western style art school opened in 1876 and artists soon grouped into followers of the Barbizon School with its sombre devotion to peas-ant life, and of the more liberated palette of Impressionism. Both strands are well represented in this comprehensive exhibition. Closed Mondays. National Museum of Western Art. Japonisme. A major exhibi-tion, seen earlier this year at the Grand Palais in Paris, which

explores the influence of Japan on the art of the West in the late 19th century. Closed Mondays. Nerima Museum. Japanese Abstract Sculpture. Of all forms of contemporary Japanese art, it is sculpture that has received the most interntional attention and recognition. This exhibition focuses on the formative years of abstract sculpture from 1945 to 1960. Closed Tuesdays.

Telen Museum. Paintings by Leonard Fujita. Fujita (1886-1968) was one of the first Japanese artists to live and work in France and his arrival in Paris in 1913 coincided with the first flowering of modernism. Closed Mondays. Nishimura Gallery, Ginza. Kat-sura Funakoshi. Recent sculptures by one of the Japanese artists who exhibited at this year's Venice Biennale and who works in wood in what is essentially a realist tradition. Closed Sun-

### SALEROOM

### Expectations confounded Christie's had its best ever

Sotheby's was excited by the fact that on Tuesday night it was offering for sale two was offering for safe two-important works by the Ameri-can artist John Singer Sargent, who specialised in immortalis-ing society beauties. Paintings by Sargent rarely reach the sal-erooms and high prices were

Unfortunately the most prized example, an 1896 portrait of Countess Clary Aldringen, which was down to make up to £600,000, was unsold at £370,000 whareas the other example, a portrait of Hon Mrs Charles Russell, painted in 1900, comfortably exceeded its forecast, going for £418,000 to Berry-Hill, a New York dealer

Berry-Hill, a New York dealer bidding on the telephone.

This was the highest price in a sale of 19th century pictures which totalled £3.76m, with 27 per cent unsold. The Fine Arts Society of London paid £253,000, way above estimate, for a portrait by the French artist Paul Cesar Hellen of his wife at her desk while a still life of fruit and flowers by Jean-Francois Raeffaeli realised £220,000, (as against a ton ised £220,000. (as against a top estimate of £20,000.)

A painting by Millais of the old garden of the castle at Murthly in Scotland went for £101,000, and a Landseer portrait of the Duke of Devonshire with Lady Grosvenor on his arm more than doubled its forecast at £96,800.

picture sale in Scotland on Tuesday night with a total of £1.4m and just 4 per cent unsold. There was an auction record for John Quinton Pringle of £102,300, a 1903 painting of an old man with a tobacco pouch. Its top estimate was £40,000. A Lichenstein colwas £40,000. A Lichenstein
Unfortunately the most
prized example, an 1896 porcentury Dutch artist Hierony-mous Galle and a London dealer acquired a view of Edin-hurgh from the Castle by Lav-

Christie's had a major disappointment in the morning session of its musical instrument auction yesterday when a Stradivari violin of 1669, known as the Clisbee after a previous 19th century owner, was bought in at £135,000.

A record price of 13m Krones (£1.3m) for a work of art at auction in Sweden was paid Vesterday at Bukowski's in Stockholm for "The Dying Dandy," painted by Nils Dar-del in 1984 it had been bought by the vendor for £325,000, which was a record at the time.

Sotheby's sold in London yesterday 19th century Spanish paintings for £1.5m with 22 per cent unsold. Virtually all the lots went to Spanish buyers, the top price of £137,500 paid for "In the Salon" by Madrazo.

**Antony Thorncroft** 

# **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Thursday November 24 1988

# A low skill equilibrium

THE THATCHER Government has introduced important training during the 1980s. But it has failed to remedy what is probably the single most serious flaw in British education: the failure to provide rigorous vocational training for non-academic children. Various initiatives such as the Youth Training Scheme, the Technical and Vocational Educational Initia-tive, and City Technology Colleges demonstrate awareness of the problem, but they do not yet amount to a convincing

solution.

An article in the latest issue of the National Institute Economic Review provides further disturbing evidence of the UK's poor relative performance in this sphere. France, the study shows, produces three times as many trained mechanical and electrical craftsmen as Britain. The qualifications obtained. moreover, are frequently of a higher standard. West Germany is still further ahead. Previous studies by the National Institute have shown that the training gap is as severe in other trades such as retailing, building and clerical

#### Car mechanics

The National Institute gives alarming examples of the low educational standards of trainees in Britain. Nobody in a class of 19-year-olds about to qualify as car mechanics could divide 600 by 0.2. Yet in a ran-dom group of French 15-16 year olds studying for the Certificat d'Aptitude Professionnel (the d'Aptitude Professionnel (the most basic level of vocational training) all completed the calculation correctly in less than a minute. CAP teachers said that mathematical ignorance on the British scale was "inconceivable" in France, where children are held back a year in school if they fail to meet minimum standards. It remains to be seen whether the remains to be seen wbether the new British national curricu-lum will rapidly improve arithmetical standards in UK

for vocational education will still not be hright. The hias against noo-academic teaching in the UK is deep-seated: efforts to introduce technical schools of the sort found in most other industrial countries have been thwarted several

times this century - to the lasting detriment of British industry. The arrival of a hand-ful of City Technology Colleges is unlikely to transform attitudes even assuming they do not, over time, evolve into grammar schools by another

name. The Technical and Vocatiocal Educational Initiative places far too little emphasis on providing a structured tech-nical education for young people, leading to externally exam-ined vocational qualifications. Instead, the courses often aim, in a vague way, merely to change attitudea towards industry, improve self confidence and so forth. Some courses timetabled under TVEI appear to have no direct indus-trial relevance.

#### YTS flagship

The Youth Training Scheme, the Government's flagship training initiative, also appears to have done little to raise the numbers achieving craft level qualifications. The majority of trainees emerge with no quali-fications of any sort; a few achieve low level certificates. In several industrial trades, the numbers of skilled craftsmen have continued to decline despite YTS. The National Institute points to the example of mechanical engineering where the numbers attaining City and Guilds part II qualifi-cations have dropped by more than a half since 1982. The best that can be hoped for from present policies, it says, "is a form of semi-skilled operator training, leading to a qualifica-tion below accepted craft stan-

The Government has to put more resources into vocational education and think barder about the division of responsischools. It is by no means obvi-ous that a single, mainly aca-demic curriculum, is suitable for all children. Nor is it clear that employer-based training, as under YTS, is as effective as the school-based vocational education provided in France. The continued neglect of rigorous vocational education is denying thousands of non-academic teenagers the status, joh satisfaction and pay expecta-tions they could reasonably expect in any other advanced industrial economy.

# **Balance** sheet challenges

LOOKED at from one point of view, putting intangible assets like brands into companies' balance sheets must make sense. Anything which is likely to produce future profits is worth something. For many companies, such assets are the most valuable things they own. so why keep them out of the balance sheet? An accounting system that says assets only exist if you can kick them belongs to the steam age.

This does not simply apply to Hovis and Mr Kipling cakes, the value of which Raoks Hovis McDougall plans to show in its balance sheet from oow on. By recording its existing hrands, rather than only those it had acquired and could therefore value with some assurance, RHM has broken new ground in the UK and pre-

new ground in the UK and pre-pared the way for others.

A second good reason for change is that readers of accounts with hidden assets may be confused by what they see. Under its previous accounting regime, RHM had a gearing ratio (borrowings as a proportion of shareholders' funds) of 42 per cent, hut gen-erated the earnings to cover its interest costs more than nine interest costs more than nine times over. The first figure implies that it is fairly beavily indebted, the second that it can afford to take on considerably more borrowings. Which are shareholders to believe?

The third, and more practi-cal, argument for showing iotangibles is that in future acquisitions companies can relabel some of the goodwill they acquire as assets. This reduces the proportion of goodwill that needs to be written off against reserves and solves a problem that is causing headaches for many companies which bave already seeo their reserves wiped out hy goodwill write-offs. This is all an accounting technicality, say the accountants, and compa-

nies' goodwill problems should be eased as much as possible. The last of these reasons is the only one that stands up to scrutiny - and even then would he challenged by accountants in most countries outside the UK, who believe

that goodwill should be written off against profits, rather than salted away through reserves. In reality, putting hrands into balance sheets tells readers little about their true value. The company that said what it thought its intangibles were really worth would be offering an invitation to any passing predator to hid for it at that price. RHM said earlier this week that the £678m attributed to its hrands moved its halance sheet "somewhat closer to reality," but that the true value was "considerably more" than this figure. Are RHM's sharebolders much the wiser? If companies want to wiser? If companies want to tell shareholders what their brands are really worth, then putting an arbitrary figure in the balance sheet is not the way to do it. They should pro-vide more information to help users make their own valua

tion.
The real importance of RHM's move is, first, that it throws another challenge to the accountancy profession. Why are the accountants still officially silent on the matter. particularly when individual firms of auditors are prepared to take a public stance? This encourages companies to shop around for auditors whose attitudes to accounting fit most closely with their own

The second challenge is to

companies themselves. Is it

right that they can choose which of their assets to show at current values and which at all, property. Annual turnover is now running at around original cost, turning balance sheets into a mish-mash of dif-ferent valuation methods? British companies henefit from this laissez-faire attitude of the regulators: their counterparts in most other countries are required to show only historic cost values. More importantly, is it right that they should move towards a current cost balance sheet while reporting historic cost earnings? This is the best of both worlds, giving them the freedom to show assets at current values while hiding the effects of inflation on their profits. Companies like RHM should not he allowed to value their hrands The interest in sport is not

As the debate over student loans rages in Britain, Roderick Oram examines the situation in the US

r Rob Whitney, a young Boston lawyer, is one of a dwindling hreed. Claiming a right to self-help enshrined in the American dream, he financed his own way through university and

law school.

It cost him dear. He began his professional life \$21,000 (£11,475) in debt, with monthly payments taking a big bite out of his salary as a federal jodge's clerk. He is not in private practice but the new vate practice, but the pay-ments still equal about onethird of his rent. "I don't really mind. I wouldn't have been able to go to law school with-out them," he says. But the last instalment in 1993 after 10 years of payments "seems a long way away."
US educatora are worried

that fewer students can pull off the same feat today. They face escalating trition costs and the Republican Administration's tight-fisted attitude toward funding student grants and

"Students are no longer making education decisions based solely on their academic based solely on their academic taleot, but on starting salaries. We are breeding a far more mercenary group of students," said Mr Roger Koester, associate director of financial aid at

Northwestern University. The partial shift away from grants and government-subsidised loans to market rate bank horrowings not only pen-alises students for choosing less lucrative vocations such as teaching, the arts, social work and the church, but probably also deters poorer stu-dents. "We're losing low income students because they and their families are not experienced in or confident about loans and banking," said Ms Patricia Smith, director of leg-islative analysis at the American Council on Education. All families, rich or poor, are

feeling the squeeze on higher education. On the cost side, it has become "the 2 per cent problem" of fees, room and board and other expenses rising a few points faster than family income, said Mr Theo-dore Bracken, director of Federal Government relations at the Consortium on Financing Higher Education, an association formed by 32 of the country's most expensive private universities.

The two used to rise in step. From just after the Second World War until 1973, college fees increased an average of 5.3 per cent a year while the median family income rose 5.5 per cent and the consumer price index only 2.7 per cent. But since then, fees have risen by 9.8 per cent, income by 7.1 per cent and inflation 7.3 per cent per year.

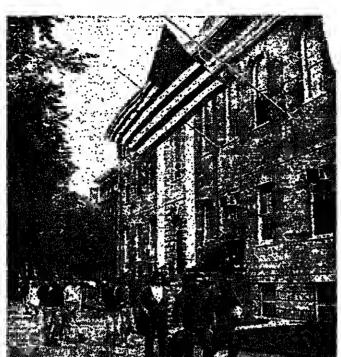
A four-year bachelor's degree at a prestigious private university such as Harvard, Columbia or Northwestern, costs around \$75,000 all in. The universities say their costs have risen faster than inflation over the past 15 years because of the mix of goods and services

they huy.

Typically, universities run by state governments cost the student perhaps a third as much as private universities. But they often lack the top pri-vate universities' prestige and

Rangers go

up market



# Price on learning

academic standards helpful for finding first jobs and usually vital for entry to medical, law, husiness and other profes-sional graduate schools, which are also staggeringly expensive. Tuition alone at top medi-cal colleges can run to \$25,000 a year. Students turn first to a year. Students for financial help. Northwestern, for example, expects families with \$42,000 a year pre-tax income to pay about \$4,200 a year, roughly a quarter of each year's school bills. The rest is reade up by student's earnings. made up by student's earnings, loans and grants. A family earning about \$90,000, common when both parents work, would foot the full bill of nearly \$18,000 a year. Northwestern recycles about 25 per cent of its tuition income into financial aid.

In the past, mothers often went back to work to belp pay for their children's university education. But since second incomes are often needed to maintain living standards and single parent families are more common, "it is often no longer possible for parents to pay out of current income," said Ms Marcy Steele, director of finan-cial aid at Columbia. "We're beginning to look on a four-year college education as a life-time investment."

Students are also feeling the pinch because their earnings have failed to keep pace. Working some 10 or 20 hours a week as perhaps a waiter or a cab driver during term is a com-mon part of the US university experience. But the federal

minimum wage rose by less than \$1 to \$3.35 an hour during the 1970s and has stuck unchanged in the 1980s. Big paying unionised summer jobs are virtually non-existent.

Looking for alternative ways to finance their education, about half of the undergraduate degree students are now taking loans, up from only one-third 10 years ago. The rate is higher for expensive pri-vate universities. This year, 74 per cent of Columbia's incoming students applied for financial aid, compared with 59 per cent three years ago. The Federal Government is

by far the biggest provider. It is involved in two-thirds of all loans either by making them directly or guaranteeing ones from banks. As demand for loans rocketed during the 1980s, the Reagan Administration became agitated by the cost. The drain on the federal budget has jumped from \$3.7bn in fiscal 1979 to an estimated \$8.1bn this year including new capital, interest rate subsidies and making good on defaulted

The Reagan Administration responded by reintroducing "needs tests" on family incomes to shift more students to market-rate loans. The Gov-ernment still incurs costs though by paying interest on the loans until the students graduate and by meeting loan guarantees. Default rates have risen only a few points to 13 per cent but the cost to the Government, reflecting more, bigger loans, has increased sev-

bank loans.

en-fold in the past 10 years to

\$1.4bn a year.

The tightening of federal aid has forced universities to provide more help themselves and has given banks and other organisations new scope for loans. The Consortium on Fin-ancing Higher Education, for example, has started making example, has started making loans to parents of typically about \$10,000 a year. It also makes loans to graduate students crudely indexed to their likely earnings. A medical student can borrow up to \$90,000; a teacher \$30,000.

The Government guarantees will only cover a maximum of \$4,000 a year in new loans per student, repaid typically over 10 years. Banks have therefore developed their own suppledeveloped their own supplemental programmes. Chase Manhattan, for example, lends up to \$20,000 a year repayable over 20 years at higher rates. More parents are turning to second mortgages hecanse under tax reform they are the only loans left on which interest is fully deductible for income tax.

est is fully deductible for income tax.

But low interest rates on government guaranteed loans and high administration costs mean slender lending margins for banks. Mr James Gathard, a Chase Manhattan vice president, estimates about one-fifth of banks have dropped out of the business as a result. Chase perseveres hecause it has a grip on costs and wants to

perseveres hecause it has a grip on costs and wants to huild long-term relationships with young customers.

Students are taking on bigger loan burdens from all these sources. Repayments are typically running at about 6 per cent of pre-tax income a year for the first 10 years after graduation, double the rate of 10 years ago, according to Government figures. Teachers and other lower income professions often pay closer to 15 per cent. Yale University tried a sixyear experiment of incomelinked loans in the 1970s. Stu-

linked loans in the 1970s, Stu-dents are repaying four-tenths of 1 per cent of their pre-tax income each year per \$1,000 they borrowed. Repayments end when 150 per cent of the loan plus accrued interest have been covered or after 35 years. In effect, trainee doctors subsidised divinity students. The plan, complex and costly to administer, found wide favour with participants, said Mr Donwith participants, said for lon-ald Routh, director of financial aid at Yale. It was not imple-mented permanently because the university's own finances improved, allowing it to increase traditional loans.

siastic about income indexed loans because, for example, of the administrative load for tax authorities. "The Idea of send-ing out dunning letters forever does not sound very attractive to the IRS," said Ms Cathy Henderson, a Washington higher education consultant, The loan burden is still man-ageable for most recent gradu-ates. But experts talk of the intangible costs to society of skewed career choices - could a young doctor afford to work in inner city slums? - and growing student indebtedness. On current trends, the US has only a few years grace before it is forced to overhaul the way students pay for their higher

The Government is unenthu-

BOOK REVIEW

# Not yet a New English Bible

Perhaps the City should search for its compliance officers in the CONDUCT OF BUSINESS RULES: a new approach
By Michael Blair
SIB, 220

ance officers in the divinity schools, not the law schools. The revised version of the Securities and Investments Board (SiB) Conduct of Business Rules (CBRs) comes complete with tables of destinations and derivations. This volume — which I shall call "deutero-CBRs" — is verily a concordance and clearer than the authorised version of 1987 — "proto-CBRs" — if still a long way from the clarity of the New English Bible.

Like the Bible, it provides a thick seam for students of texfirst out of the baddies. It must have consumed at least 150 high-priced City gentleman hours when first drafted as proto-CBR 5.15. All this effort was to provide for the many cases where who came first is unclear or for some reason irrelevant. Despite the clear principle quoted above, deuter-o-CBR 3.04 continues to elaborate to identical effect proto-CBR 5.15's clarifications. thick seem for students of tex-tual criticism. Many PhDs

could be written on this or that piece of drafting and the usage here of the word "unfair", there of the word "wrong". Even bachelor's degree exams could reasonably contain questions such as "compare and contrast the Blair and Evans styles of drafting" (referring to the authors respectively of deutero- and proto-CBRs), or "deutero-rule 4.02 on best execution (of transaction for customers) is weaker than proto-rule 5.04 — discuss."

Stylistically, the revised version is an improvement. Commas and full-stops abound, in contrast to normal legalese and proto-CBRs alike. The 15 months of taking flak have been well employed in tabulating and in choosing a judicious.

ing and in choosing a judicious

mix of bold, italic and small prints. The proto-CBRs were not drafted piecemeal, as unkindly alleged by the author of deutero-CBRs, but they were

drafted too fast for stylistic refinement. It is clear that they are hard to abridge: I wager

that proto- and deutero-CBRs

are much the same length -approximately 170 pages with no small print, small columns

no small print, small columns or tables, versus 133 pages with all those advantages.

Brevity is also assisted in that the deutero-CBRs drafter has ignored earlier legal advice from the Department of Trade and Industry that a recipient of the Secretary of State's power for make rules may not further

to make rules may not further sub-delegate that rule-making

power to others. Bravely, and

economically, the deutero-CBRs incorporate by reference rules and codes of subsidiary or extraneous bodies (such as self-regulatory organisations and the Bank of England).

Changed legal opinion permits the other main stylistic improvement. Proto-CRRs were

written under the strict super-

DTI, backed up by droves of paranoid City solicitors. Proto-CBR draftsman was not per-mitted to draft rules of the

form "it is wrong to refuse to eat apple pie." Deutero-CBR

draftsman, however, can write "it is unfair to put the firm or another customer . . . into a transaction ahead of a cus-

tomer who ought to have prior-

ity." This rule, known as the anti-front running rule, deals with the commonplace but

hard to police abuse of putting

yourself or your favourite cus-tomer first into the goodies or

could be written on this or that

In sum, the SIB's new man-agement has spurned the legal advice that bound the old management - who were in thrall to the DTI as a body still on prohation. The established board has used its new status to say, in plain English, what it thinks the rules should mean. The new Secretary of State has helped too: if Lord Young were not largely to remove the right to sue and recover losses caused by hreaches of the CBRs, it is doubtful if City law-yers would be receiving deutero-CBRs so apparently calmly. Other changes are relatively insubstantial. Students of proto-CBRs will recognise many passages reproduced verbatim. Many hated Items remain: the customer agreement, the treatment of customer complaints, the links with the City Code on Takeovers and Mergers, and the Insider Dealing Act. Deal-

ings in penny stock are still treated severely, though not as harshly as some foreign pooled investment schemes. Some rules have been weakened, such as the important rule on best execution - that firms do the best deals they can for their clients, from the clients' point of view. Moreover this rule no longer applies to dealings by brokers on behalf of, say, pension funds or "expe-rienced" investors unless they have the nous to require it. Brokers are apparently no lon-ger required to warn such cus-tomers if they are not going to

tomers if they are not going to give best execution - a big return to cavear emptor. Deutero-CBRs are a bold attempt but the really difficult bits remain nearly incomprehensible. Life insurance is always impossible to explain and the revised rules in this area do not improve much on the old. The rules on market-rigging (sorry, "stabilisation") still call for cold towels and aspirin. Alas for draftsmen. some issues are truly complex and only complex drafting can begin to pinpoint the abuses a rule is designed to forbid. The revised rules, no less than the old ones, are unsuitable bed-time reading for life insurance salesmen, Aunt Agathas, children and all.

Kate Mortimer The author, now chief execu-tive of Walker Books, was direc-tor of policy at the SIB from 1985 to 1987

# OBSERVER

David Murray, the man who yesterday bought Glasgow Rangers Football Club on behalf of Murray International Holdings, is remarkable in ray was a cross-country cham-pion and played rugby and cricket. Some of his sporting contemporaries now work with him – at an average age of
33. He made an earlier, public
and abortive hid for a much
humbler football club, Ayr almost every way. He may also have got a bargain. If Tottenham Hotspur is worth around £13m on the stock United. This time It was more of a quiet friendly takeover. exchange, Murray is getting Rangers cheap. His company Lawrence Marlborough, who owned many of the shares, now lives in Nevada and is paying £6.5m for 75 per cent of the shares and may pay another £2m for the rest. A successful cluh hy any stanagreed that he was a bit out of touch. He bid Murray up dards, Rangers can play in Europe; Tottenham cannot. Murray is 36. At the age of 22 he lost both his legs in a car accident. His father was a bit on the price, and the deal was signed on Tuesday.

a coal merchant in Ayr who Poor fellow turned into a spectacular gam ■ After giving a bullish presentation about Consolidated Gold Fields' prospects to institutional investors in London yeshler and lost a fortune on hier and lost a fortune on horses. The son's main interests are property and metals. When the British Steel Corporation was in the doldrums, Murray almost ostentationsly refused to do business with it. Instead be acquired the registration plate BSC 1 for his Ferrari, one of a collection of vintage and luving cars. terday, Rudolph Agnew, the chairman, was asked why, if things were going so well, the directors had so few shares in the company.

Agnew, whose salary rose
by 29 per cent last year to
£315,026, said: "I can't speak
for the other directors, but I

Sweden's Healey

Minister of Finance, is a kind of Scandinavian Denis Healey - bright, tough, amusing, but with a short fuse. He is also

the architect of the country's radical tax-cutting reform which was introduced yester-

day. Feldt is an unrepentant

believer in market socialism

and widely regarded as the man who turned the Swedish economy round in the 1980s

and ensured a Social Demo-

cratic victory in the elections

last September. An owlish, rather crumpled grey-haired 56-year-old, he has spent most

■ Kjell-Olof Feldt, \$weden's

vintage and luxury cars. His steel business turned down with the slump in off-shore development, for which don't hold many shares he was a major supplier. Murbecause I am a poor man. And I'm poor because I've been married three times." ray diversified into other met-als, electronics, medical and office equipment and, above

Thus he presides over what must be just about the higgest privately owned group in Scotland. It will remain private, he says, as long as he has any-thing to do with it. Still, the interests are reaching south. Last year be bought a 33 acre site at Thornahy on Tees for a song. The next month the Prime Minister visited the place and publicly praised what he was doing for the inner cities. Murray now has a £110m project to develop it. He is also deep into property development in Edinburgh.

new. Before his accident Mur-



"I was looking for some cheap Christmas presents."

of his working life in economic affairs after graduating from Uppsala, the Swedish Oxbridge, with a degree in political science. In the '60s he worked in the Ministry of entering Parliament in 1971. The late Olof Palme put him in charge of financial policy when the Social Democrats returned to power in 1982 and be has not looked back since.

Probably the most powerful man in Sweden today, he is widely respected on the international finance circuit at the World Bank and OECD, where he chairs the finance ministers' committee. Rumours abound that he is fed up with being a big fish in small Swed-ish pond and would love to take a top international job. But he may well soldier on, turning Sweden into a more effective market economy and closer in spirit to the European

Community. However, like Healey, Feldt seems unlikely ever to become Prime Minister. Respected in the party, he is felt to be too right-wing for the top post in the Social Democrats. Told by an upset British journalist in the recent election that his views sounded like those of Margaret Thatcher, he replied:

### Political drugs

■ Italian politicians have taken to drugs. Or so it is alleged in the weekly magazine, Pan-orama, which claims not only that a substantial number of them have experience of smoking marijuana, but also that "cocaine flows through the Montecitorio", the building which houses the lower cham-ber of the Parliament. The timing is somewhat

unfortunate since the Govern-ment is seeking approval of a new law cracking down on drug use and trafficking, Nevertheless, the allegations about cocaine are attributed to Clem-ente Mastella, the official spokesman for the Christian Democrats. According to Pan-orama, they were backed up by the Radical deputy, Mas-simo Teodori. And Felice Borgoglio, a member of the Social-ist Party executive, said: "some

members of my party's leader-ship have used cocaine." Mastella yesterday tried to "clarify" the remarks that he had made to a reporter. He said that he had merely "spec-ulated that among parliamen-tarians and politicians, as in the rest of society, there will be some who consume drugs, but there is no river, torrent

Some mistake ■ Algie Clough told the Spectator Highland Park lunch for the Parliamentarian of the Year Awards yesterday of the man who was apprehended for late night drinking at his golf club. "Where are you from?" "Dulwich." "What do you do?" "I'm an accountant." What are you drinking?" "That's very kind of you, officer. I'll have a whisky and soda."





"It would be a bad mistake to let the dollar fall until President Bush has been inaugurated and we can see what kind of programme he can work out with Congress to tackle the toin budget

and payments deficits.

"The dollar will very probably have to drop substantially; but it would be better to wait until US domestic demand has been restrained so that depreciation can do most good. Right now it would just mean inflation, with a risk of the dollar drop getting out of

MARIE OF CHILD

er wet Billi Liverit

A transfer of the second of th

the state of the s

With the officer

Control of the

in Time

Million of F

war bearing

Same same

1. Henry like the

the Control

Herrett 5

278 15

though my

The second pre

tion begge

· the china

·-- 1/25 &

with ime

1 2 FORT

Taries

2 - 12 62

tord a o

1327

on think

ಚ ಎನ್ನಾ o come.

And the second

....

militare to

1,100 

1 1 171110

Late Morney

k

EC

)

- 1 mm mg tg

100 mg - 2 🛊

Pr. 23m.

he above seemingly sound. common-sanse quotation is invented. Yet it sums up the mood of many conversations about the dollar, and one senses that the deliar; and the senses that it is what many Group of Seven central bankers and finance ministry officials would be saying if they dared to voice their thoughts.

It is a compromise that pays heed to the immediate case for currency stability and the need to avoid a first full.

the immediate case for currency sub-bility and the need to avoid a free fall of the dollar. Yet it also pays due attention to the consensus of forecast-ers in the International Monetary Fund, the Organisation for Economic Co-operation and Development, the US Treasury, and many other institu-

Us Treasury, and many other institu-tions for the slightly longer term.

Yet like much supposed binff com-mon sense, it cannot possibly be true.

But a confident view that the dollar will be held up now, but certainly drop, say 20 per cent, in 1989 is defi-nitely wrong.

There are plausible reports that the G7 industrial countries have agreed reference ranges for the dollar of Y120 to Y140 and DM 1.60 to DM 1.90, with an attempt in the case of the D-Mark to stay in the middle third of that

range?
But who is going to hold dollars anywhere in these ranges if he believes the dollar will be worth Y100 or DM 1.25 in a few months' time, to cite the levels advocated by Fred Bergsten of the Washington Institute? Present interest rate differentials between the dollar and the D-Mark and yen embody a central expectation of a 5 per cent dollar depreciation over the next year. No conceivable rise in US interest rates could offset a depreciation four or more times as

An individual dollar holder might hope to get out in time. But even the most short-term of operators must realise both the catastrophic results that would ensue if everyone tried to sell dollars at the same time, and also the risk of the central bankers' hav-ing to abandon the present ranges sooner than they now expect if they really do not believe these ranges to be sustainable.

A policy of supporting the dollar now, and then waiting and seeing, could make sense, but on an entirely different assumption to that stated. It makes sense only if there is a more even balance of risks around the cen-tral 5 per cent depreciation implicit in market interest and forward rates. In other words there must be a reasonable possibility that the gloomy forecasters are wrong, and a sporting chance that the dollar is undervalued

ECONOMIC VIEWPOINT

# What the dollar will not do

By Samuel Brittan

of the dollar shows it to be as low as the lowest point to which it dipped under President Carter in 1978, and about 40 per cent below the Reagan

peak.

Moreover, this IMF index is based on so-called normalised unit labour costs in mannfacturing, which understates British competitiveness and probably does American as well. According to First Boston, US manufacturers now have a 30 per cent labour cost advantage over their competitors in the major industrial countries. Professor Ronald McKinnon believes the supporting rate for the believes the appropriate rate for the dollar to be Y150 and DM 2. Other followers of Purchasing Power Parity also believe it to be undervalued, if not by quite so much.

Even the mainstream UK National institute now expects a "soft landing" for the US, with the dollar only depreciating by 1½ to 2 per cent per annum. Indeed, the institute predicts a slow but sure elimination of all the main G7 current account imbalances over the next few years, except the

West German surplus.

The very slowness with which the US current deficit is likely to dwindle is itself a reason why a major decline in the dollar would be pointless and inflationary. I am certainly not trying to line up with the dollar bulls or advocating that you should convert your grandmother's savings into the US currency. The point simply is that within a context of great uncertainty, the risks are more evenly balanced than many commentators suppose. Otherwise the present G7 strategy of propping up the dollar could not last a single day.

emember the argument about whether sterling should shadow the European Monetary System or the sterling index derived from the tradeweighted basket of currencies? The Bank of England liked the index and the Chancellar liked the PMS. The the Chancellor liked the EMS. The Prime Minister liked neither, but pre-sumably found the index less intolera-

rather than overvalued.

This argument is now being resolved by what Nikita Khrushchev

IMF index for the real exchange rate called "life itself." Life in this case takes the unusual form of the com-bined statisticians of the IMF and the Bank of England.

For new weights have been esti-mated by the IMF statisticians for the model that the Bank uses for calculating the sterling index. The result is that this index is beginning to resemble an EMS index more than ever

In the new index, to be used from December 30, the weight of European Community countries is to rise from 47.5 per cent to 55.6 per cent. If Switzerland and Austria, which although not Community members effectively follow the D-Mark; are included, as they should be, the effective Euro-weighting rises to 62.3 per cent. If

There must be a reasonable possibility that the gloomy forecasters are wrong and a chance that the dollar is undervalued rather than overvalued

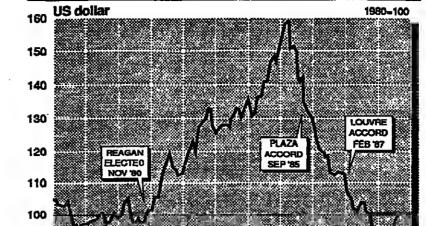
Sweden, Norway and Finland are added, the Euro-element rises to 68.8 per cent. At the same time, the dollar weighting in the sterling index continues to fall. As recently as 1981 it was 32.8 per cent. Since then it has been 24.6 per

cent and from December 30 it will be only 20.4 per cent.

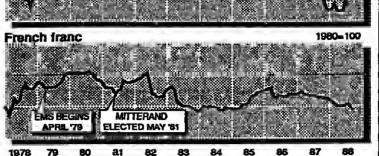
The official British Treasury line is that the two most important indicators in determining monetary policy are M0 (effectively notes and coins in circulation) and sterling. Let us be kind about M0 and not say too much about it. Paying attention to sterling will now resemble much more closely monitoring the rate against the EMS than it ever did before

than it ever did before.

It will be less tough than the policy of shadowing the D-Mark attempted by Nigel Lawson and abandoned by Mrs Thatcher in March 1988, when the D-Mark was temporarily weak. For some of the peripheral currencies in the Euro-basket are those which attempt to stick with the D-Mark, but do not quite manage to do so. Thus



Real effective exchange rates



something anti-inflationary in busting open the D-Mark policy will only have themselves to blame if the UK ends up with e less rigorous version of the

te: IMF Economic Outlook

EMS objective.

Of course rebasing an index does not itself make a policy; and there will be many future battles about how much weight to give to sterling and what the unmentionable target range should be. Still less will a statistical adjustment take Britain into the EMS exchange rate mechanism. But of the many possible routes by which the latter might happen, one is the discovery that sterling has been de facto shadowing the EMS for a long time with no untoward consequences.

ne of the myths about the EMS is that, by tying the French franc to the D-Mark, it has led to a loss of French competitiveness, a large French current payments deficit, and thus slow growth and rising unem-

ployment. So even if France has imported low inflation via the EMS, the price has, it is said, been excessive and West Ger-man industry has been laughing all the way to the bank. Now maybe this is how unreconstructed French devaluationists on the left and nationalist opponents of the EMS on the right would have liked things to have hap-pened. But the picture hardly survives scrutiny.

The chart of the French real effective exchange rate shows a definite improvement in French competitiveness in the last three years - and a level of competitiveness better than

There was indeed e loss of competitiveness in the early years of the EMS. But this has since been more than offset, first by the early Mitter-rand devaluations and more recently by an ectual fall in French unit labour costs.

As for the French payments deficit: it is trivial, some 0.3 per cent of gross domestic product. This is about one tenth of that of the US or the UK and well within the margin of error of the figures. Giles Keating of First Boston convincingly argues that that is sim-ply a rundown of French overseas assets matched by a huild- np of domestic fixed assets. The latter has been made particularly valuable by the relaxation of exchange controls which ensures that the rate of return in France keeps up with that abroad. Readers might expect me to agree. But the much more conventional National Institute expects the French franc to hold its value against the D-Mark in 1989 and subsequently to

depreciate hy an average of just 2 per cent per appum. Of course not everything in the French garden is lovely. Unemploy-ment has been over 10 per cent and is still creeping very gradually upwards. Although the growth of real GDP has been fractionally faster than in West

Germany, both countries have been well behind the UK, although starting from higher absolute levels. To blame French unemployment on supply side or labour market factors may seem like a cop-out. But what-ever else it is due to, it is not that of international competitiveness on any obvious cost yardstick.

LOMBARD

# The pillage of UK philosophy

By Michael Prowse

recently delivered a speech at St Andrews University entitled Philosophy and Higher Educa-tion. This sounds as if it might contain the definitive defence of the Government's policy

towards universities.
No such luck. There are references to Platonic Ideas and the Nazis, but nothing that could be called a coherent argument. Indeed, it amounts to little more than a sustained to little more than a sustained attack on an individual philosophy don, Dr Simon Blackburn of Pembroke College, Oxford.

Ministerial speeches rarely refer repeatedly — and pejoratively — to private individuals. How did Dr Blackburn manage to cause such unease in White-hall? The short answer is that he had the temerity to write a paper\* contrasting Govern-ment rhetoric about its com-

mitment to the humanities with its recent record. In his July speech to the British Academy, Mr Kenneth Baker, the Education Secre-tary, unctuously affirmed that "every civilised society, to remain civilised, needs to develop in its citizens the apti-tudes and intuitions which flow from engagement with the humanities." And philosophy, as Mr Jackson has recently argued, is fundamental to the higher level study of all disci-

So what has the Thatcher Government done to develop an appreciation of philosophy in its young citizens?

The statistics speak for themselves. In the past decade, the number of employed aca-demic philosophers has fallen by 32 per cent – from 515 to 351. Departments outside London and Oxhridge, says Dr Blackburn, will have lost 40 per cent of their staff by the 1990s. A virtual standstill in new appointments means that only 12 per cent of academic philosophers are now aged under 40; the number aged under 30 is in single figures. Philosophy departments have already been closed in 12 out of Britain's 47 universities. A philosophy review presently being conducted by the Univer-sity Grants Committee — now a faithful instrument of White-

MR ROBERT JACKSON, hall - is likely to result in Britain's Minister for Higher further closures. If you send Education, regards himself as a hit of an intellectual. He recently delivered a green of these universities (if that is the word) word), says Dr Blackburn, there will be no foundation courses for them.

"Nobody has any responsibility to introduce them to Plato and Aristotle, Hume or Russell; they will oot be taught to think effectively about categories like knowledge." ries like knowledge proof, experience, truth, they cannot explore empiricism or logicism, nor the many coocepts thet shaped the modern world, nor the ethics thet govern it."

Ironically, the dismantling of departments has occurred despite rapid growth of gross domestic product and significently higher demand for higher education - the 1980s, It should not be forgotten, have been e baby-boom decade. The number of humanities students has risen by 10 per ceot but thousands of qualified appli-cants have been turned away. Dr Blackburo's paper

deserves a wide readership. So does Mr Jeckson's intemperate response. Mr Jackson refers to the "special pleading of a spokesman for a sectional interest: that of academic philosophers in their quest for larger funding, higher salaries. and more extensive opportunities for employment." nonsense: Dr Blackburo is merely querying the priorities of the Thatcher Government.

Mr Jeckson also tries to evade blame for the decline of philosophy by saying that the decisions were tekeo by the universities themselves, Bunkum. The cuts in real funding left them no choice: small departments, such as philosophy in most universities, were bound to be among the first to

Despite vague telk about more freedom and alternative funding for universities, the Government continues to tighten its grip over these benighted institutions. The paymaster cannot evade responsibility for what has happened. Bertrand Russell, G.E. Moore, Gilbert Ryle and other jewels in British philosophy's crown must be turning in their graves.

\*Philosophy and British Universities. Pembroke College, Oxford OX1 IDW.

# LETTERS

### Concern about wages Pay as scapegoat

From the President of the Confederation of British Industry.

Of the situation with companies shows them aware of the short-term prospect of rather Sir, CBI members would whole-heartedly support the conclusion of your leader ("The Concern About Wages," November 18)) that it is necessary to tackle the underlying causes of wage inflation, most notably the skill shortage, and the remaining rigidities in the housing and labour markets.

However, you made several implied assumptions in reaching this conclusion, none of which are soundly based.

The first is that there is a mechanism. Our members "going rate" for wage short-term prospect of rather shows them aware that aware short-term prospect of rather slower economic growth, but nevertheless still expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to contably the skill shortage, and the remaining rigidities in the housing and labour markets.

This, too, is not the case.

The CBI has long been in favour of full UK membership of the European Monetary System (EMS) exchange rate mechanism. Our members short-term prospect of rather slower economic growth, but nevertheless still expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in protection productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in productivity in the months ahead.

The fourth false assumption is that businessmen are expecting to achieve further rapid growth in productivity in the months ahead.

which are soundly based.
The first is that there is a "going rate" for wage increases.
Not so. Market forces are the determining factor: pay awards reflect the need to attract and keep people of the required skill level; no more and no less. While over the year to July 1938 the central 'band' for pay settlements happens to have been of the order 4.5 per cent to 5.5 per cent, more than two settlements in five in manufacturing. It is far more important to monitor these than misleading earnings figures.

Hence our proccupation which are now in place in manufacturing, and in nine out of 10 firms in private services. The UK is not approaching the UK, Japan and elsewhere 'confections of the simits of productivity and min manufacturing, and in nine out of 10 firms in manufacturing, and in nine out of 10 firms in manufacturing, and in nine out of 10 firms in private services.

The UK is not approaching the UK, Japan and elsewhere 'Confederation of British 'Confederation of

assumption). Our main compean market.

petitors in Germany, France, Trevor Holdsworth,
the US, Japan and elsewhere Confederation of British

still have higher levels of pro-ductivity in manufacturing Centre Point, than we do. Our latest review 103 New Oxford Street, WCI

From Mr Henry Neuberger. Sir, in your leader (November 18) you echo what is widely reported as the market's con-cern that rising wages will lead to higher inflation. This concern is hard to understand.

The growth of pay in the year to September was in fact 8.5 per cent — not the mysterious "underlying" 9.25 per cent so widely quoted. More important the contract of the contract of the cent of

period when unemployment was rising, stable and then fall-ing rapidly. Meanwhile, price inflation has almost doubled. Whatever is threatening a fur-

ther rise in inflation, it is clearly not only pay.

The contributions of interest

rates, profit margins and government controlled prices must all be at least as great. This evidence must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins and government controlled prices must surely cause stopped trying to blame profit margins

you and other economists to abandon the discredited con-cept of the non-accelerating inflation rate of unemployment (Nairu). When pay growth moves by barely 1 per cent when unemployment fails by 500,000, as it has over the last year, there cannot be one

unique unemployment rate at which inflation will be stable. Norman Fowler, the Employtantly, the rate of growth rate of pay has varied by less than 2 per cent over the last four years, and its present level is close to the average over that period.

Wese inflation has therefore

Wage inflation has therefore remained very stable through a ployment continued to rise as pay grew between 7 per cent and 9 per cent a year. In 1986-8 it fell sharply as pay continued to grow at 7 per cent to 9 per cent a year.

Is it not time that the mar-kets and the Government stopped trying to blame pay for our economic ills?

UK buys transatlantic

From Mr Mark Dixon.
Sir, Even in free market times we cannot expect the Confederation of British Industimes we cannot expect the Confederation of British Industry (CBI) to be entirely free of "investment xenophobia". Indeed, as market forces propel more companies across borders, we must expect greater afforts to hold them back.

The CBI should remember that its members have been responsible for the largest flow of acquisition capital between any two countries in the world. (We recorded \$30.2bm worth of British acquisitions in the US last year, and estimate \$39.0bn inward acquisitions from Europe.)

What is happening is natural and necessary in a world economy becoming increasingly integrated. Like every other nation in Europe, in the US integrated. Like every other nation in Europe, the Uk is liquidating some of its domestic portfolio and replacing it with e more international portfolio.

Mark Dixon,

The British-American

Deal Review,

730 Fifth Avenue, Suite 1906,

New York City

for 1988. These investments represent 10 times the value of inward acquisitions from

### 'London belongs to me'

From the Earl of Stockton. Sir, The advertisement in the FT (November 21, 22) placed by Mr Robert Maxwell to mark his acquisition of Macmillan Incorporated of New York, may give

rise to some confusion.

There are two quite separate major international publishing companies: Macmillan Limited, wish Mr Maxwell every success whose headquarters are in London; and Macmillan Incor-porated, based in New York. Macmillan Limited is a close company beneficially con-trolled by the Macmillan fam-4 Little Essex Street, WC2

ily and their trustees. Mr Maxwell has purchased Macmillan Incorporated, whose books Macmillan Limited sells in the UK, Europe and elsewhere, but with whom it has absolutely

with his purchase, and look forward to maintaining their cordial relations in the future. Stockton,

Chairman, Macmillan Limited,



WE ARE PLEASED TO ANNOUNCE

OUR FIRST UNIT TRUST,

THE CAZENOVE PORTFOLIO FUND.

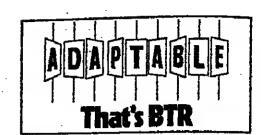
FOR MORE DETAILS PLEASE TELEPHONE GRAHAM VENN ON 01-606 0708 OR WRITE TO THE AODRESS BELOW.

CAZENOVE UNIT TRUST MANAGEMENT LIMITED. 16. TOKENHOUSE YARD, LONDON EC2R 7AN TELEPHONE: 01-606 0708 TELEX: 886758 FAX: 01-606 9205

IGSUEO BY CAZENOVE & CO. A NEMBER FIRM OF TSA AND THE INTERNATIONAL STOCK EXCHANGE, OH BEHALF OF CAZEHOVE UNIT TRUST MAHAGEMENT LINITED, A NEMBEN OF IMPO AND THE UTA.

# **FINANCIAL TIMES**

Thursday November 24 1988



# Sharpeville Six win reprieve from execution

By Anthony Robinson in Johannesburg

President P.W. Botha of South Africa last night reprieved the Sbarpeville Six - the five black men and one women sentenced to death in December 1985 for involvement in the moh murder of a black councillor st Sharpeville, the black township south of Johannes-

burg.
The surprise decision came a few hours after acting Chief Justice Rabie dismissed defence lawyers' application for a re-opening of the trial of

At their trial no evidence

trihuted physically to the death of the councillor, Mr Khuzwayo Dlamini, in September 1984 during riots sparked by a rent increase. Instead, they were convicted under the doctrine of "common purpose," under which they were held responsible because, it was alleged, they were active par-ticipants in the mob that killed

Mr Dlamini.
The US, the UK, France and West Germany among other countries had urged President Botha to commute the death sentences. He had said be ency when all legal channels were exhausted.
President Botha yesterday also announced reprieves for four white policemen and three other hlack people sentenced to

Two of the policemen reprieved yesterday, Captain Jack La Grange, former bead of the Brixton (Johannesburg) murder squad and his subordi-nate Warrant Officer Robert Van der Merwe, were sen-tenced to death last year for killing two Colonred drug smugglers for private gain and

operation against ANC terror-The other two policemen were found guilty of sadisti-cally murdering a defenceless black youth in Graaff Reinet. black youth in Graaff Reinet.
By announcing the decisions together, President Boths appears to be seeking to avoid being attacked from his right for bowing to pressure from foreign governments for clemency towards the Six while equating the "common purpose" murder of a black councillor by blacks with particularly vicious killing of blacks

larly vicious killing of blacks

The result could be to remove a potential source of international embarrassment for South Africa. In London the Foreign Office said last night it welcomed the

the news. The Sharpeville Six have spent three years on death row. Two of them, Mr Duma Khumalo and Mr Fran-cis Mogkesi, have had their sentences communed to 25 years imprisonment. Mr Reginald Sefasa is due to serve 20 years while the three others, Mr Mojalefa Malebo, Mr Oupa Diniso and Ms Theresa Ramashola each face 18 years.

# Two-tier justice sets South Africa apart

Anthony Robinson reports on the glaring disparities between black and white

THE quality of South African justice is again under scrutiny at home and abroad as a result of the three year treason trial now nearing completion, con-troversy over the fate of the Sharpeville Six and the glaring

Sharpeville Six and the glaring disparities revealed in several recent judgments involving white and black defendants.

Equal justice is not a concept readily associated with South Africa, where an essentially tribal government dominated by Afrikaners operates as if it were a "normal" national government capable national government capable of legitimately demanding the loyalty of all citizens, despite the fact that the black majority is denied the vote or represen-tation in parliament.

The inherent tensions implicit in such a claim have been the *leitmotif* of the country's longest-running treason trial. This culminated last week in the conviction of four leaders of the anti-apartheid United Democratic Front by Mr Justice Kees Van Dijkhorst in the Pretoria Supreme Court. in the same trial seven others were found guilty of "terror-ism" after 441 days of legal pro-ceedings which could continue indefinitely as defence lawyers

prepare for an appeal.

The crux of the judge's summing up was that those found guilty of treason had shown "bostile intent" towards the state - which be defined as indistinguishable from the Government. He further argued that the accused "owed allegiance to the state at all times," even though they have no say in the formulation of its laws and no representation in parliament. They did not actually have to commit violence to be guilty of treason. It was enough that the accused "actively identified with and executed the policy of the UDF," which he defined as "the internal realm of the African National Congress (ANC)." Lawyers believe this sweeping judgment virtually outlaws the UDF and its affiliates. Whatever the eventual fate

of those judged guilty of trea-



son or terrorism in their alleged role in fomenting the violence which broke out in the hlack townships of the Vaal Triangle south-east of Johannesburg in September 1984, the state has already effectively deprived the black community of some of its ablest and most effective lead-ers for the past three years. What is more, the judgment appears to contradict the find-ing of the Van der Walt Commission, the Government's own inquiry into the revolt, policy, inadequate housing. economic deprivation and cor-ruption among black council-

The memory of those violent months, accompanied by the kind of brutal police repression which confirmed South Africa's image when viewed nightly on the world's television networks, came back as Judge Dijkhorst spoke impas-sively through his summing

But as the wheels of Afrikaner justice ground on, the vio-lent flipside of Afrikaner society was heing exposed less

than a kilometre away as Mr Barend Hendrik Strydom, a 23year-old former policeman and member of just about every white right-wing movement in circulation, blasted away with a pistol at black passers-by in the heart of Pretoria. He killed six people and seriously wounded more than a dozen others. All the victims were

The tragedy, which sent shockwaves through nearby townships, raised the awful spectre of race war, the poten-tial ultimate "solution" to South Africa's complex prob-

Within days, the Govern-ment acted - for the first time against the smallest, albeit most racist and anti-semitic, of the white racist organisations which have sprung up in South Africa over the last four years. It banned the Blanke Bevrydingsheweging (BBB), restricted its founder and leader, Professor Johan Scha-bort, a respected biochemist, to the magisterial district of Brits north of Johanneshurg where be lives and prohibited him

from meetings of more than 10

The action was mild indeed compared with the blizzard of banning orders and detentions without trial with which the state has silenced its "left-wing" critics of all race groups since coming to power in 1948. Furthermore, it took no action at all against the largest and most vociferous white rightwing para-military organisa-tion, the Afrikaner Weer-standsbeweging (AWB), or Afrikaner Resistance Move-

untouched despite the fact that its leader, Mr Eugene Terre-hlanche, for years has shown his contempt for the National Party Government and openly advocated violence and war against the African National

Congress. Mr Terreblanche claims that up to 80 per cent of the police and lower ranks of the armed forces are AWB sympathisers, although formal membership of the AWB now courts dis-missal from the force. What is incontestable is that 37 per cent of whites in the Transvaal voted for the Conservative

Party in last month's munici-

pal elections.

Pretoria, home of most of the Government's civil servants, only remained in government hands by a whisker. Yet the CP, led by Dr Andries Treurnicht, openly accepts support from the AWB and five of its 23 MPs openly admit to heing AWB members.

The net result of the split in Afrikanerdom is a government which clings to power by courtesy of the votes of English speakers who are not represented in the cabinet. Its principal fear is not an armed insurrection by the UDF and the ANC hut a Weimar-type sitthe ANC hut a Weimar-type sit-uation in which power and authority will be drained from it by the disaffection of its civil servants and security forces hostile to "reform" and loyal to the old-style apartheid. Ultimately, that is why the courts and the Government clamp down so heavily on the ANC, the UDF and the "left" opposition generally, while

opposition generally, while administering at most a tap on the wrist to white racist organisations or individuals like Mr Jacobus Vorster, a 23-year-old farmer who beat a black farm-worker to death for running over his dog. He received a suspended five-year prison

But if this was the lucky outcome for Mr Vorster in a country with the highest rate of executions in the world – 169 last year and over 260 people now on death row – the Sharpeville Six are dependent on presidential clemency alone to avoid the gallows.

The six township hlacks were condemned to death for their indirect involvement in the death of a black community councillor under the doc-trine of "common purpose." If they were to die, many people at bome and ahroad would believe it was because in South Africa there is one justice for whites and another for blacks. Perhaps it was with this in mind that President Botha last night announced his decision to grant a reprieve to the Six.

# Cut-price steel for private buyers

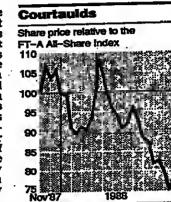
It is a tribute to the skill of the Government's advisers that British Steel should be seen as a giveaway at any price, let alone £2.5bn. Partly, this has been achieved by the simple device of insinuating in advance that the price would be 10p higher. There is now a back-up argument, which says that although the lay public is not the main target in this flotties. tation, it must be prepared for the much sterner tasks of water privatisation in twelve months' time and electricity thereafter. British Steel, in

thereafter. British Steel, in short, is the Government's way of apologising for BP.
Well, maybe. Certainly, the issue is designed to appeal in speculative terms. The first instalment of 60p will produce a return of 11.1 per cent over nine months, and in the event of oversubscription, the clawback provisions should ensure that indexed and high-yield funds will have to hid the price funds will have to hid the price up to arrive at their weightings in the stock. Even for the cur-rent year, the notional running yield is two thirds above the market average; and whereas earnings may well fall the year after, the prospectus more or less promises that the dividend will be held.

BP is a reminder, of course, that the market could do anything at all between now and first dealings on December 5. The same thought has not deterred the underwriters, who are coming back for more—Goldman Sschs, Daiwa and even Wood Gundy included. At just over £700 per £1m underwritten, the commission rate is four times higher than for BP, but is still lower than for any other privatisation except BAA and Rolls-Royce. As for force majeure, the only difference this time is that the decision lies with Lord Young instead of BP is a reminder, of course, lies with Lord Young instead of Mr Lawson. The willingness of the underwriters could be a vote of confidence in the issue, or just a reminder that times are hard.

### S. G. Warburg

The real surprise in yester-day's first half results from S. G. Warburg was not that it is still losing money on its equilies and fixed interest busine bnt that its associated fund management business, Mercury Asset Management, is so strong. If Mercury can increase its operating profits in a bear market, then it is hard not to conclude that it has a more soundly-based husiness than that of its parent. Strip out fund management and corpo-



the rest of Warburg's operations may be first class, but they are scarcely making any money. This fact has not been lost on the stock market, been lost on the stock market, where Mercury's shares have outperformed the market over the last year hy a third while Warburg has fallen by 14 per cent. Even so, with Mercury selling on a prospective multiple at least two points lower than its parent, there may be further to go.

#### Hammerson

The Swiss have already digested a large chunk of the UK chocolate industry, the Australians want to take over the beer industry, the French are falling over themselves to buy up British water supplies, and now the Dutch are trying to take over Britain's third biggest property company. Once again, Rodamco's £1.3bn bid for Hammerson shows the forfor Hammerson shows the for-eign investor seemingly spot-ting values overlooked by a gloomy UK equity market. Even at the peak of last year's bull market, when the

downturn in the property cycle was considerably further away, Hammerson's limited voting shares only briefly touched £7. Now the auction for Hammer-son has started at £7.80, and if the Peachey battle is any guide, Rodamco might well have to top 59 to win. Equally surprising is its willingness to bid for a company which, until now, had been regarded as largely takeover-proof by virtue of its restricted voting structure.

Clearly, the Dntch are no fools, and their intentions are considerably clearer than is the case with the Galerias consortium's interest in Mountleigh, for example. Despite its recent run, UK property still looks good value for an international investor. Property

yields of over 7 per cent are still two thirds higher than UK equity yields, rental growth remains strong, the curreocy is firm and there can be be very few national property markets which can match the depth and liquidity of the UK's.

Rodamco's assertion that it would be a better manager of

Hammersun's assets is more questionable. Over a five year record, Hammerson's performance looks lacklustre; but the 10 year performance looks positively sparkling compared with Land Securities and MEPC, and currencies are only just beginning to move in its heginning to move in its favour. However, there are serious questions about man-agement succession; and this may persuade Standard Life, which holds the key, that s carve-up of Hammerson at the right price is the best solution.

#### Courtaulds

If Courtaulds is indeed a textbook case of management excellence, then evidently the market does not much like aca-demics. Courtaulds' sbares have underperformed the market by some 25 per cent over the past year, failing even to match the dismal performance of the textiles sector itself. The implication is that investors think the company's management is good, but its businesses are lousy; and they have yet to be convinced that applying the former to the latter will yield a solid growth company in the end.

On the face of it vesterday's

On the face of it, yesterday's interim results will not have done much to broaden the mar-ket's views on this subject. Fibre profits nearly balved in the first six months, while textile profits fell hy 25 per cent; but if that sort of natural disaster had struck Courtaulds a handful of years ago, it would have taken more than an MBA or two to ensure that group pre-tax profits roughly held their own.

That said, Courtaulds has not yet stopped weighing up hits of the husiness to achieve the right cyclical balance. More acquisitions are sure to come; but though the rating might perk up at the sight of Courtaulds strolling down Wall Street with £300m or £400m in its back pocket to spend at ooe go, it will almost certainly not get the chance. Courtaulds will probably carry on heading in more or less the right direction, hut at the sort of sedate pace which may not get the share price moving for some time to come.

# Bush appoints security adviser

Italy tries to play down budget criticisms

By Lionel Barber In Washingtan

PRESIDENT-ELECT George Bush yesterday named retired Lt-Gen Brent Scowcroft as his White House national security adviser, but doubts remain about his choice of a new Defence Secretary.
Mr Busb's first choice.

apparently former Texas Republican Senator John Tower, is involved in behindthe-scenes manoeuvring with Bush aides wbo want a strong deputy and support staff to help reform the Pentagon's procurement practices.

By John Wyles in Rome

THE ITALIAN Government is

trying to play down embarrass-

ing criticisms of its strategy for reducing the budget deficit which the Paris-based Organi-sation for Economic Co-opera-

tion and Development is expec-ted to publish around the turn

economy casts doubts on the

The problems over the Pen-tagon sppointment appear to have prematurely pushed Mr Busb into announcing the selection of Gen Scowcroft, an experienced member of the for-eign policy establishment and a popular choice in the US

Congress.
Mr Busb called General Scowcroft "a trusted friend" who understood bow the White House, the Congress and intel-ligence community works. As Director of Ceotral Intelligence in 1975-76. Mr Busb got to know Gen Scowcroft, who was then serving as President Gerald Ford's national security

Mr Busb, who made the announcement before heading for bis ocean-side family retrest in Kennebunkport, Maine, for a five-day vacation, has suggested that he would like to finish naming his Cabi-

net within a month.

Most of his top appointments are in place, beaded hy Mr James Baker, a close friend, as

But the Pentagon vacancy is proving a difficult issue to resolve.

Senator Tower, 63, is a for-mer chairman of the Senate Armed Services Committee, who has coveted the joh of Defence Secretary for eight years. While be enjoys a wide range of contacts on Capitol
Hill, some doubt his qualifications to manage the Pentagon
budget, partly because he was
one of President Reagan's

leaving a deficit equal to 6.1 per cent of GDP.

of a rise in the rate of inflation

as "turbulence" due to some

recent adjustments in tariffs

and an increase in taxes on

The OECD report appears to agree with the Italian Government's view that the economy

is running well, with an expec-ted growth rate of 3.6 per cent this year.

# **Officials** in Gdansk urge local

LOCAL government officials in Gdansk, Poland's third largest

The council wants up to one third of the taxes levied in the area to be left in the hands of local councils to be spent as they wish. Yesterday the scheme was formally presented to a session of the Govern-

of Mr Jerzy Jedyklewicz, an industrial mansger, as the bead of the province to replace General Micczyslaw Cygan who was brought in at the outset of martial law in 1982.

Mr Jedykiewicz presented a hold reformist line to the

Gdansk council. The authors of the new tax scheme argue that failure to harmonise industrial population has led to beavy pollution on the sea coast while neglected bousing. health and transport facilities are contributing to the unsta-hle political situation in the

would improve local services and encourage local officials to support company growth.



# FOR YOUR

31 Corporate Finance — part of 3i, the U.K.'s leading investor in private companies is actively involved in advising on the buying and selling of companies. So if you are looking to realise capital tied up in a



 $oldsymbol{I}$ ou may be interested in an autright ar partial sale. At 3i Corparate Finance we have the experience and flexibility to advise you on the range of alternotives avoilable - and with our computerised dotabase of patentiol buyers we can identify the mast suitable purchasers.

 $m{A}$  confidential discussion with ane of aur teom could give you a clear idea af the value of your business - and how we can help you realise it.

Lo arrange a meeting, please call Tim Moore or Helen Turner on 01-928 7822, or complete the coupon.

Regulated in the conduct of investment business by SIB FT241188 L'ease let me have more details about how 3i Corporate Finance can assist Address me in realising the capital tied up in Tel No. ту сотрапу. SEND TO: 3i Corporate Finance Ltd, 91 Waterloo Road, London SEI 8XP

#### (\$91.4bn), which represents 10.2 per cent of gross domestic product, looks likely to be confirmed by the lower house of parliament this week. In any case, said Mr De Mita, the 1988 deficit, at 11 per cent of GDP, will be the lowest of the 1980s and will have fallen from 13.5 per cent in 1985. conditions to reform public finances. Mr Ciriaco De Mita, the Prime Minister, has responed hy issuing a statement claiming that the report needs to be undertained in the light of recent of the year. Stories bave recently from 13.5 per cent in 1985. The Government's proappeared in most Italian oews-papers that s draft of the OECD report on the Italian updated in the light of recent statistics and events. gramme aims to balance the The Government's 1989 deficurrent spending budget net of debt interest payments by 1992,

cit target of L117,300bn

Government's projections of a

falling deficit and castigates

the Rome Government for not taking advantage of favourable

**WORLD WEATHER** 

**British Steel privatisation** 

Continued from Page 1

instalments - with 60p per share payable on application and the rest in September 1989 - and because the gross divi-dend yield on the first instal-ment is 16 per cent.

Lord Young, asked whether the issue was aimed at Sid, the archetypal private investor tar-get of the British Gas market-ing campaign, quipped it was not Sid hut Sidney, adding "we're going slightly upmar-ket."

In the early phass of the marketing campaign for Brit-ish Stesl, there was little emphasis on private investor interest, since it was assumed that many would be put off by the corporation's exposure to a downturn in the economy. However, more than 1.5m individuals have registered

with with the share information office, encouraging the Government to tap the private tax changes By Christopher Bobinski

industrial city and the scene of clashes hetween the authori-ties and the banned Solidarity movement, are urging revolu-tionary changes on central government in the way local spending is financed.

ment's top economic commit-tee meeting in Gdansk.

The initiative comes at the same time as the appointment of Mr Jerzy Jedykiewicz, an

Polish taxes, mainly on turn-over and company profits, are collected by central govern-ment and then redistributed to the provinces, Supporters of the Gdansk scheme argue that the direct linking of local spending to local revenues





Against a background of major ages in the funding of the Central Institution sector, and the introduction of a new computerised accounting system, Napier Polytechnic of Edinburgh has decided to strengthen its financial gement by the creation of the post of Director of Finance.

The person appointed will be responsible for the supervision of the existing finance function, implementation of the computerised accounting system and will be expected to develop and extend the management accounting systems. An additional responsibility, working with the Business Manager, will be the development of the financial systems of POLYED, the expanding siness arm of the Polytechnic.

A qualified accountant, preferably CA, ou will ideally have experience of financial administration in the public sector; crucially you will have a high order of leadership and innovation skills.

This challenging position will provide you with the opportunity to use your skills to the full and play a significant role in the Polytechnic's continuing

development.

Please write enclosing brief CV and day-time telephone number to: Ian J. Miller. Secretary and Academic Registrar,

Napier Polytechnic of Edinburgh, 219 Colinton Road, Edinburgh EH14 1DJ. NAPIER POLYTECHNIC

OF E'DINBURGH

auld,

Company of the compan

### **ACCOUNTANCY COLUMN**

# Flying in the face of accounting convention

COMPARING the results of companies in different coun-

companies in different countries is like comparing apples with pears, and not just because they report in different currencies.

National accounting systems have devaloped at different rates and under different pressures (shareholder pressures in the Anglo-Saxon world, government pressure in many continental European countries). Net income reported under one convention bears little resemblance to that reported under another.

Does it matter? A growing number of accountants, stock exchanges and regulators think that it does. International capital markets cannot work efficiently without full information about the companies that the companies th information about the compa-nies that are competing for capital. The debt markets have survived on credit ratings pro-duced by recognised agencies: but equity investors, who are concerned with more than security and a fixed rate of return, need other, better ways of comparing companies

of comparing companies.

The International Accounting Standards Committee, at its quarterly meeting in Copen-hagen this month, took an important step in trying to tighten up international accounting rules. With the backing of stock exchanges, it hopes that these can become the standard for companies raising capital outside their

home countries. It is now up to companies, investors and regulators to decide whether the IASC's ideas should be taken forward. Lest they underestimate that importance of the task, they should consider the following

should consider the following example.

Airlines are big business. They have also sold a lot of shares to the public in recent years as governments around the world have shed their stakes in their national carriers. However, it is virtually impossible to compare the performance of different national airlines.

Take Japan Air Lines, which reported a net loss of \$28m (£15.27m) in the year to March 31 1987 (to make comparisons easier, all figures have been translated into US dollars, either at a rehearm retaining. either at exchange rates given by the company, such as JAL, or at the rate prevailing at the year end in question). Before understanding JAL's results a reader needs to consider the following items:

following items:

Japanese tax law allows:
companies to delay reporting
income arising from insurance
claims. JAL's delayed income
from this source amounted to
\$76m during 1987 — nearly
three times its reported profits.

JAL set aside \$65m during
the year to cover the expected
costs of severance pay, but costs of severance pay, but says that is only 40 per cent of the full amount. This implies

that the full deduction from profits should have been \$162.5m, although JAL gives no explanation in its accounts for this huge amount. The 40 per cent is tax-deductible, suggest-ing that the provision was made simply to take advantage

of this tax concession. The discount on bonds issued during tha year was written off to profits. Else-where in the world, a consen-sus is forming that such costs are part of a company's financ-ing cost and should be spread over a number of years. The effect of JAL's method: \$7m off

JAL is not alone in posing difficult questions for anyone hoping to arrive at its true profits British Airways, which last year took over British Cal-edonian, adopted the standard British way of accounting for its acquisition: It wrote off the goodwill of \$663m against

A US airline would have been required to write it off against future profits, although it could spread the cost over 40 years. When a new Australian accounting rule is introduced, an airline in that country would have to spread the cost over no more than 20 years. Ignoring for a moment the

rights or wrongs of these different approaches, the fact remains that they produce very different results. The IASC's proposal is for goodwill to be written off over five years. That is bound to arouse antagonism on all sides, presenting the IASC with the difficult task of convincing compa-nies that comparability should come before their national version of what is right.

However, it is possible to compare BA to other countries' airlines, or at least those listed in the US. BA has to translate its figures into US accounting language as a condition of being listed there. The result: British profits of \$285m become

US net income of \$350m.
The industry, needlass to say, does not rely on such unreliable figures for making performance comparisons. Its performance measure is reve-nue tonne kilometres - the number of miles of air travel that an airline sells during a year. This is the same in any language and does not need translating.

The difficulty of comparing profits shrinks into insignificance when compared with the

difficulties of comparing bal-ance sheets and, by extension, key ratios like gearing, return on capital, and so on. A glance at the value of air-

line fleets shown in different companies' accounts points to one fundamental difficulty. Lufthansa operates 151 aircraft which are shown in its accounts at nearly \$3bm. JAL's 77 aircraft (half the size of Luf-thansa's fleet), on the other

hand, are recorded at \$6.6bn, or more than twice the amount. And what about KLM's 79 aircraft at \$2bn and BA's 197 at \$3.3bn? The different mix of

\$3.3bn? The different mix of aircraft operated by different airlines, or different age profiles, surely does not account for such differences.

The first difficulty is that there are different methods of valuation. Whereas Lufthansa is required by law to show assets at historical cost. for assets at historical cost, for instance, BA appears to feel free to apply various valuation methods to its aircraft. A revaluation of most of them in 1987 led to an additional \$520m - equivalent to nearly half of BA's total shareholders' funds.
However, it did not revalue
Concorde, which according to
the accounts has a value of precisely nothing. With a range of valuation methods between different companies, not to mention different rates of depreciation, it becomes impossible to compare the

value of fleets.

The second difficulty is that some aircraft are not shown in the balance sheet at all. Leased aircraft either may or may not be included, depending on the type of lease. Different coun-tries have different tests for determining what should be recorded, making it still more difficult to compare airlines.

As a general rule, the more aircraft that do not appear in the balance sheet, the greater

the level of borrowings that are kept out of the accounts and the lower the company's gearing. Airlines may argue persuasively that they should not have to bring all leased assets on to their accounts, but this does not make the readers'

task any easier. Aircraft valuation becomes a simple exercise when compared with other balance-sheet problems. Take the UK and US versions of BA's balance sheet. UK rules give the company shareholders' funds of

US accounting, on the other hand, adds \$680m to this to reflect the value of goodwill that has been written off in the that has been written off in the UK accounts; knocks off \$575m to bring BA's fleet back to its historical cost; and take away a further \$233m to reflect the extra deferred taxes that US accounting rules say should be provided for.

These are all big numbers.
But which version is "right"?
At least the figures are available to allow the informed reader to make up his or her own mind. For many other companies they are not. And even when they are, it would be better if it were not left to the reader to make the adjust-

The IASC is trying to fill this gap. However, it has a tough job ahead of it if it is to per-suade the world that its rules are the right ones.

### **ACCOUNTANCY APPOINTMENTS**

# Head of Group Audit

PLC, Investment and Banking c. £35,000 plus Car and Banking Benefits

We are acting for one of the most interesting and expansion-minded investment and banking Groups in London. Fully listed and with subsidiaries worldwide, it has comfortably out-performed the market during 1988 and takes a justifiably optimistic view of future

The Head of Group Audit will report to an Audit Committee of Main Board Direct and will be asked to develop modern procedures to focus on issues for broader than the integrity of financial statements. Part of the role will entail building a team and there will be some travel to North America and the Far East.

We invite applications either from Chartered Accountants who can demonstrate sound postqualification experience of financial institutions, or from experienced and accomplished Auditors, not necessarily qualified but currently working for a substantial financial services Group.

The right person will be given every opportunity to develop his or her career outside audit in due course.

Please write in confidence, enclosing career details and quoting reference T/680/3, to Nigel Halsey, Managing Director, at the address below. Telephone 01-895 1323.

The Halsey Consulting Partnership

# **Group Company Secretary Central London**

To £35,000 + Car

Our client is one of the leading computer services companies in the UK. The company is listed, operates in a broad range of markets and has established a wide and prestigious customer base. Success is clearly illustrated by a phenomenal growth record—averaging 30% per year—and an equally impressive profit performance. Turnover in 1987 totalled £79m and further organic growth is planned which will be supplemented by strategic acquisitions to enhance existing operations perficularly in the international erens.

Reporting to the Finance Director, this is a new position in which the incumbent will have the opportunity to develop the function, providing a full range of secretarial services including legal advice to the company and general support to the board. Specific ereas of responsibility will include properly, pensions and share option achieves (including well-dive plans), maketenance of statutory registers, annual returns, stock exchange requirements, insurance and provision of legal and contractual advice. There will be considerable contact with the company's advisors and some

Candidates will probably be aged 35 plus and a member of a recognised professional body which could encompass a legal, accounting or company secretarial training. Your experience will preferably have been gained in a large group and you will now wish to expand your role in a smaller but rapidly growing organisation. Personal skills will include the maturity and assurance necessary to operate at board level and the desire to make a major contribution to the management of the company. Apractical, flexible approach is required which ensures that requirements are met without the

etion of over-eleborate bureaucracy, This is a demanding post and the further growth of the company will ensure that the appointee will have an exciting,

important and expending role to perform.

Please reply in conflidence, giving concise career, personal and salary details to>

Branden Keelan, Ref ER 137,

Arthur Young Corporate Resourcing,

21 Conduit Street, London WIR 9TB.

involvement in investor relations. Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

This subsidiary of a major international plc offers a commercially aware qualified Accountant a business orientated, No.1

Reporting to the Managing Director, you will identify and communicate the financial implications of commercial proposals, through the provision and review of management information, and the formulation of business strategy. In addition, you will manage a small professional team, and be responsible for day to day financial and administrative matters.

To discuss details further, please telephone Jane Prior on 0753 857181, (evenings 01-546 5657), or write with CV to Robert Half, Freepost, Mountbatten House, Victoria Street. Windsor, Berkshire, SL4 1YY. Alternatively fax your details on 0753 860696.

Financial Recruitment Specialists

London Birmingham Windsor Manchester

# NANCIAL PLANNING MANAGER

**SE15** 

As a leading innovative force in the engineering services sector, this autonomous subsidiary of an international FMCG company continues to expand. Impressive growth record has lead to an immediate opportunity within their Senior Management Team.

Reporting to the Director of Finance with effective control of an accounting department of ten, your main responsibilities will be to provide planning, budgeting and management accounting information to monitor and direct current and future performance.

Duties will also include the control of the Treasury function and the maintenance and control of the costing systems, whilst providing management information to tight deadlines.

c.25k + 2L. Car + Benefits

The position requires continued input into the day to day management of the business in order to influence the future development of the

The ideal candidate will be a qualified accountant, aged between 25-32 years, with at least two years post qualification experience in an industrial environment. Considerable emphasis is placed on applicants with strong communicative and supervisory skills, possessing the drive and ability to thrive in a hectic and fast moving organisation.

Future prospects for progression are excellent both at company and group levels, with real opportunities to work overseas.

For more information please contact Edward Akerman by telephoning 01-437 0464 or write enclosing brief details.

### ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House I Lebester Place Leicester Square London WC2H 7BP Telephone: 01-437 0464

### **Financial Controller Consumer Products**

West London

c£30,000 + carand share options

For a young and progressive sales-led organisation which has grown rapidly since its formation and is one of the market leaders in its specialist field. There are ambitious plans for expansion and a stock exchange listing is

Reporting to the Finance Director you will be responsible for all aspects of planning and control. Early priorities will be to improve budgetting procedures, to upgrade the quality of management information and to tighten controls over cash management. You will be assisted by a small team and can expect to be involved on

a variety of "ad hoc" projects. Probably in your late 20's or early 30's, you will be a qualified accountant with a strong track record either in the profession or in commerce. Well developed communication and organisational skills are essential and you must be capable of managing change. As the business grows the potential rewards, including a profit related bonus and share options, are high.

Please write in confidence to John Cameron, quoting reference C101, at 84/86 Grays Inn Road, London WC1X 8AE (Telephone: 01-404 5971).

> **CAMERON · SIMPSON** Consultancy - Search - Selection

### DIVISIONAL FINANCE DIRECTOR

Weybridge

Our client, an industrial holding group (t/o £100m), owes its continuing success to the astute financial management of both organic growth and a policy of niche acquisitions of manufacturing and distribution businesses servicing customers from a wide range of industrial sectors.

A "hands on" team of Chief Executives, assisted by Divisional Finance Directors, is each responsible for a portfolio of subsidiary companies, managing strategic business performance and sponsible for a position or substitutely considered by local company boards.

The position of Divisional Finance Director will, therefore, be responsible for the provision of all necessary financial and commercial support for both the Chief Executive and subsidiary Finance Heads in order to achieve business targets and growth objectives.

Suitable applicants will be fully qualified ACA, ACMA or CACA, aged 27 to 40, with excellent management, financial and systems skills gained within a highly commercial industrial/ manufacturing environment.

The nature of this high profile role is such that some travel will be necessary. For further details please telephone Richard Warner, Divisional Manager, or send your curriculum vitae.

Management Personnel York House, Chertsey Street Guildford GU1 4ET

Telephone 0483-65566 (out of hours 0252 724671)



LONDON GUILDFORD ST. ALBANS WINDSOR NEWBURY BRISTOL CAMBRIDGE

# Group Financial Controller

c£50,000 + car

This client is a major British plc which has grown quickly into a tightly controlled Group, with businesses strategically located in the UK and North Americo. Acquisitions have featured prominently an both

The Group Financial Controller will be responsible for leading the finance function across the group from the corporate centre in Central London. The rale is wide, embracing taxation and treasury management in addition to the controllership and responsibility for technical issues and reporting. The ability to provide strong leadership both technically and in the area of financial planning and

financial control is important.

Applicants should be Chartered Accountants, aged 35-40, with a rapidly developing career and top level experience at UK and North American accounting requirements gained in a demanding environment. There will be the usual high level exposure both inside and autside the Graup.

Please reply in canfidence quoting reference L387 to:

Brian H Mason Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E 7EB Tel: 01-240 7805

Mason & Nurse

Selection & Search

**QUALIFIED ACCOUNTANTS** 

TREASURY FUNCTION

**Merchant Bank - City** 

Attractive Package Up to £30,000

A major British Merchant Banking Group entering e new phase in its develop-

ment is currently seeking qualified accountants to contribute to reporting, control and problem solving in the Treasury accounting function.

There will be responsibility for the production and quality control of figures relating to Treasury products. This will involve leading a small team responsible for profit recognition and position monitoring; liaison with dealing and support staff; meeting tight reporting deadlines and interface with the systems department contributing to the development of edvanced computer systems.

Applicants should ideally be qualified accountants with e knowledge of Treasury

products and advanced computer systems. Excellent interpersonal and

problem solving skills are essential and some proof of staff management skills

To pursue this excellent opportunity please send e detailed CV in the first Instance to Derek Burn at MCP Management Consultants or telephone (01) 242 3665 day

or (01) 229 0063 evening/weekend for further details. REF: QATF1188.

### WEST LONDON

Newly-qualified accountant required as Deputy to Managing Director of a small but rapidly-expanding service business. Sult 25-28 year olds. Attractive package for the right candidate.

Send C.V. applying to, write Box A1064, Financial Times, London EC4P 4BY

### Legal **Appointments** appear every Monday

£25 per single Column for further information contact 01 248 8000

Elizabeth Rowan Ext 3456

Wendy Alexander

# SENIOR TAX MANAGERS

London to £35,000 + car

Our client is one of the UK's largest businesses with a multi-billion pound turnover, now planning substantial reorganisation. This will create opportunities for two new senior tax managers to work within autonomous companies assisting in the optimisation of future financial performance. Key responsibilities will include:

Setting up, organising and running a new taxation department

 Providing strategic input for senior management and directors on business opportunities and their taxation implications

Implementing a tax planning and advisory

The Senior Tax Managers will provide a corporate focus for the tax affairs of their respective companies and will cover all areas of taxation including Corporation Tax, VAT and PAYE. This is a non-routine post offering scope for the successful candidate to develop and shape the role to meet future demands.

Applicants will be ACA's or ATII's of graduate calibre whose qualification is supported by broadly based tax experience gained either in industry or possibly in the Inland Revenue. They should demonstrate strengths in man-management communications and organisation.

Please write in confidence, quoting reference 8621/3, to Hilary Douglas.

## **KPMG** Peat Marwick McLintock

### **Executive Selection and Search** 70 Fleet Street, London EC4Y 1EU

# DIRECTOR OFFINANCE

### c. £40,000 + leased car

EXPERIENCEO CIPFA QUALIFIED FINANCIAL MANAGERS WILL BE ATTRACTED TO THIS VITAL PUBLIC SECTOR POSITION IN THE UK'S JOTH LARGEST TOWN.

THE SUCCESSFUL CANDIGATE WILL INSPIRE CONFIDENCE, MOTIVATE STAFF, COMMUNICATE CLEARLY, DEMONSTRATE A COMMITMENT TO LOCAL GOVERNMENT AND WILL WELCOME RESPONSIBILITY FOR A £210M BUDGET. A RECORD OF INNOVATION IS GESTRABLE.

A £70M CAPITAL PROGRAMME, INCLUDING NEW LEISURE POOL, MUSEUM, ART GALLERY AND SPORTS TRACK, UNDERLINES THE COUNCIL'S DETERMINATION TO IMPROVE ON CROYDON'S STRENGTHS AS ONE OP EUROFE'S POREMOST BUSINESS CENTRES AS WELL AS BEING A HIGHLY ATTRACTIVE PLACE IN WHICH TO LIVE AND WORK.

Ensuring finance for projects of this kind, KEEPING US AHRAD IN PREPARING FOR COMMUNITY CHARGE AND MAINTAINING CROYDON'S ENVIED REPUTATION FOR ASTUTE FINANCIAL MANAGEMENT, ILLUSTRATES WHAT IS EXPECTED FROM THE NEW DIRECTOR WHO WILL ALSO BE AN INPLUENTIAL MEMBER OF THE COUNCIL'S OFFICER MANAGEMENT

CALL 01-760 5661 TO RECEIVE AN INFORMATION PACK. ALTERNATIVELY, FOR A CONFIDENTIAL DISCUSSION, CALL THE PRESENT DIRECTOR, JIM WATTS, WHO BETIRES NEXT MARCH, ON 01-688 4866.



**Financial** 

Sector

Human

Resources

11 Jahn Street, London WC1N 2EB.

# **Finance Director**

Fmcg subsidiary of major plc

M4-South West Negotiable c.£30,000 + car + benefits

Our client, a diverse and highly successful British Manufacturing Group, currently enjoying record profits, is now seeking a Finance Director for one of their growth orientated subsidiaries. Reporting to the Managing Director, you will lead a highly motivated head office team responsible for the accounting and financial control of the company and its two operating subsidiaries.

Key tasks will include the timely production and analysis of financial and management information, budgeting, capital expenditure control, systems development and acquisition appraisal.

You must be a qualified accountant, ideally with a degree, probably aged between 28 and 35 with a strong commercial awareness preferably gained from the fines sector. Good computer skills and an ability to take a hands-on' approach are further requirements for this key position. In addition you must be highly motivated with strong leadership and intellectual qualities and be able to demonstrate first class technical and interpersonal skills. This senior appointment has excellent career prospects and carries an extremely attractive remuneration package for the right candidate.

If you are interested, telephone Stuart Adamson FCA or Craham Marlow on 0532 451212 or send your CV to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY.

### ADAMSON & PARTNERS LTD.

**Executive Search and Selection** 

### FINANCIAL DIRECTOR DESIGNATE

£Negotiable + car + performance-related bonus Brighton **Port Services** 

AS A MEMBER OF THE SENIOR MANAGEMENT TEAM of this expanding Company, you will play a major role in its development as part of an International Group.

Reporting to the board, you will have total responsibility for maneging the accounts function, including: Identifying and Implementing the financial controls appropriate to e growing business

Systems development

· Financial budgeting, cashflow forecasting and reporting

Financial analysis of new ventures and acquisitions

You should be fully qualified with a broad-based industrial track record, possibly as number two - but one who now feels ready to take on the top Job. The age indicator is 28-45.

Please write in the first instance to Peter Lewis, at Line Management Resourcing (reference F 111), enclosing career details, or call 01-439 6911 for an application form.

Line Management Resourcing

14 Cork Street, London WIX 1PF

Tel: 01-439 6911



### CINEMA INTERNATIONAL CORPORATION

### **International Taxation Manager** c£30,000 + Car + Benefits

million. As part of their continued global expansion they seek to appoint a Manager to be responsible for specific areas of the group's international toxation affairs. This key position, in a department of three tax professionals, reports to the Director of International Tax and has supervision of one junior member of staff. This high profile role encompasses the following activities: \* Minimising taxes paid by the company, its subsidiaries and affiliates.

Cinema International Corporation is a leader in the entertainment field with a worldwide turnover in excess of £150

Advising on pax aspects of all new group operations and corporate structures including company formations, acquisitions and disposals worldwide.

\* Extensive contact and liaison with the senior management in the US and other worldwide

The successful candidate will probably be a qualified accountant or Inspector of Taxes who has gained a good knowledge of international tax either within Public Practice or a commercial environment. Well developed interpersonal skills and a keen business sense are essential for this senior

The remuneration package is flexible for the right individual and, of course, includes the full range of company benefits.

For further information regarding this outstanding opportunity, please contact Graham King or Jane Hayes on 01-831 2000, evenings and weekends on 01-785 6545 (24 hour answerphone) or write to them at the Taxation Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

### **Financial Controller** Thames Valley to £37,000 + Bonus + Car

Our client, a leading hi-tech services company supported by a major corporation, is seeking to recruit a Financial

Controller. The company is fast-moving and has substantial financial backing Reporting to the European Finance Director, your respon-

sibilities will include the day-to-day management of a finance department of 25 staff, including qualified accountants. The role will be broad based and you will be expected to contribute to the commercial development of the company.

Candidates will be qualified accountants and probably in their early thirties. Essential attributes include a high

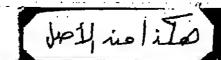
level of intelligence, proven man management experi-

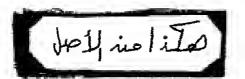
ence and strong inter personal skills. Ideally you will have experience of a fast-moving working environment and familiarity with computer systems. Interested applicants should write enclosing a

comprehensive Curriculum Vitae and daytime telephone number, quoting Ref: 280, to Philip Rice, MA, ACMA, Whitehead Rice, 295 Regunt Street, London WIR 8JHLTel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION





# Senior Financial Manager

c £40,000 + car + benefits

Nottingham

The Industrial Division of the Boots Company PLC is a £500 million turnover business involved in the research and development, manufacture and marketing of ethical pharmaceuticals, health care products, and chemicals. The Company has a substantial international operation, through its subsidiaries and agents overseas.

The position, which reports to the Divisional Finance Director and has responsibility for a substantial group of staff, will involve the provision of financial advice to UK and overseas management, as well as responsibility for the production and

A SEARCH INTERNATIONAL LIMITED

PART II TO UN

3 100 SIND, 1

INSTITABL MATERIAL MENT

15,157,1153341 Karre W

ger

7 7 22

2.14

الصديدان والمسترا

 $\sqrt{(e^{1/2})}$ 

ng Einers 1942 pháis

400

the Park His

12787

analysis of divisional accounts, financial information, forecasts and budgets.

Candidates should be qualified accountants with multinational experience gained in a fast moving manufacturing environment, ideally FMCO or pharmaceuticals. Preferably aged in your thirties, some exposure to developing management information systems will be a distinct advantage. Please send your career and current salary details to Sue Rossiter at our Maldenhead office.

Alternatively, please telephone her on (0628) 75956 for an informal discussion. Strict confidentiality is, of course, assured.



ACCOUNTANCY

**APPOINTMENTS** 

APPEAR EVERY

THURSDAY

# **Financial Controllers**

London/Kent borders

Our clients are a major force in retailing and are undergoing a fundamental re-structuring to capitalise on their marketing strengths and to equip them for the challenges of the 1990's. As a result two positions have been created reporting to the Finance Director of a core division with some 300 outlets and a £300 m T/O. The division is reviewing and upgrading its control systems and planning techniques so that there are common requirements for qualified accountants with a commercial outlook and the ability to manage change in a substantial organisation.

Controller - Planning and Control

He or she will be responsible through a 20-strong department with qualified/experienced supervisors, for maintaining effective control procedures, interpreting performance reports and developing modern techniques of budgeting/forecasting. Applicants must have held a position of responsibility in a multi-location, fast-moving business. Age indicator - early 30's. Ref. 1676/FT.

**Controller - Systems and Administration** 

to £33,000 + car

The person appointed will need to oversee the re-direction of a large department operating systems which are being progressively converted from manual to computerised bases. The group system function has resources dedicated to this process and the Controller will need to combine good management skills with experience, as a user, of introducing major systems. Age indicator - under 45. Ref. 1677/FT.

These are high-profile positions which call for above average creative and commercial talents. Success will, therefore, provide a credible base for further career opportunities in a developing and expanding group. Send c.v. (with current salary and daytime telephone number) or write or phone for an application form to R.A. Phillips ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours). Fax: 01-349 3668.

Selection Consultants LIPPORTS FOR THE STURMED CONTROL OF TRIEF. . . . REFLES HOLD BELLACH ON DINGS 4866. .

# Invest in a Market Leader

M&G, the leading and most successful unit trust group in the UK, continues to enjoy an enviable period of growth and prosperity, employing around 600 staff and with about £7 billion of funds currently under management. The Group offers a wide range of investment services and the total value of its 27 anthonised unit trusts exceeds

£3.6 billion with 400,000 direct investors and 75,000 savings plan investors.

This high volume of business, together with the ongoing commitment towards providing the highest standards of service, has created this new challenging position within the unit trust group.

### Trust Accountant

Playing a significant role in this, the main profit contributor in the group, you will be responsible for the accounting of the 27 unit trusts, 26 segregated pension funds and 3 investment trusts. Clearly, this will entail regular output of accounts throughout the year within rigid timetables. Supervising a compact team of around 10 staff, you will take the accounts from trial balance to completion and will enjoy good liaison with fund managers and investment accounts staff.

Fully qualified and probably at either an early or late stage in your career, you are experienced in taxation and have the initiative, diligence and perseverance necessary to ensure a demanding timetable is met.

The Group offers excellent potential for career development, high job satisfaction and a particularly good working aimosphere. The salary and benefits package is especially competitive and includes a company car, profit share, mortgage subsidy etc.

in complete confidence, please ring or write with CV to John Diack, Simpson Crowden Consultants Limited, Specialists in Executive Search & Selection, 97-99 Park Street, London W1Y SHA. Telephone: 01-629 5909.

Simpson Crowden CONSULTANTS

# Group Audit Manager Talent over Time

Over £30K + car + benefits

h's an unfortunate fact of life that sometimes your career path can be frustrated by time. You may have all the skills, credentials and experience you need, but in some accountancy firms that's not enough.

Some firms believe that you must join the queue and wait your turn for promotion, no matter what. At Moores & Rowland, things are different. We believe that queues are fine if you're waiting for a bus. But if you've got the drive, the talent, the personality and the desire to succeed, then we in turn will remove barriers, not erect them, and give you every opportunity to do so.

Several of our Partners are in their early 30's, they are in charge of large teams and involved in fascinating projects. Some joined as as graduates, others from firms who could not offer them the same challenge, variety and progressive approach.

If you have demonstrable partnership potential and are ready for that opportunity, we can offer an excellent salary package, company car and the usual benefits that you would expect in this position. For more information and an informal discussion call Tim Knight

today on 01-831 2345. Alternatively, send him your c.v. together with any other information which you consider to be relevant. Moores & Rowland, Clifford's Inn. Fecter Lane, London EC4A IAS.

MOORES ROWLAND

# Assistant Secretary

with Risk Management experience

North-West

Circa £25,000 p.a.+car

Our client is an international engineering organisation, supplying products and services to industries and utilities in almost every industrialised nation (nurnover £600 million per annum).

It is against a background of sapid change and major expansion that an Assistant Secretary is required. You will also be expected to co-ordinate on a Group basis all the major espects of insurance requirements. Your duries will demand an ability to negotiate at senior executive level in diverse ternational subsidiaries.

Candidates should be Chartered Secretaries of not less than 5 years' standing with significant corporate accretarial and insurance/risk management experience

gained, preferably but not essentially, within an engineering or manuficturing environment. International experience would be advantageous. Most importantly, you must have an influential and diplomatic personality together with the level of inter-personal skills required to handle very senior management successfully. The salary will reflect the important contribution that this role can make to the company and the package comprises the usual large company benefits including

relocation where appropriate.

To apply please send full career details, together with current salary, or relephone for an application form to: Tim Harney, 16: 2415/TH/FT.

PA Personnel Services

4th Floor, Fountain Court, 68 Fountain Street, Manchester M2 2FE Tel: 961-236 4531

# Caring for Careers

FINANCE DIRECTOR

This newly created role within Britain's premier house building company requires a very experienced qualified accountant aged 35-45 with a forceful personality combined with a wealth of experience gained within the building and construction Industry. Your main responsibilities will be to monitor the performance of the Regions with an emphasis on cost effectiveness and efficiency. Due to the very high profile of this role, travel and some overnight stays may be required.

GROUP CHIEF ACCOUNTANT One of the leaders in frozen foods with over 300 branches located throughout the UK, need a dynamic 30-40 year old qualified ACA/ACCA, having already gained experience in the development of management and financial information systems in a computerised environment. A strong awareness of business and commercial interest is vital with previous experience in the retail trade being a distinct advantage.

£30,000 + car + bens BUSINESS ACCOUNTS MANAGER SUSINESS ACCOUNTS MANAGER

230,000 + Car + bens
A household name within the FMCG environment with phrases such as
"Everything we market must be useful" is seeking the very best ACA's
aged 30-35 msx, who can demonstrate a fast successful track record
within a compatible company. This exceptionally high-profile role will
focus on effective working relationships with senior management
involving locations as diverse as Hong Kong, Europe and the USA,
Responsible for either the products or Retail Menswear Division this is
clearly seen as a stepping stone to e more general management type role. A locally based car rental company established for 35 years and enjoying a period of rapid expansion seeks a very mature 35-45 year old ACAV ACCA whose strengths will certainly include strong interpressonal skills. Reporting directly to the Managing Director, technical experise will cover both financial and management accounting and a hands on approach to systems development.

INVESTMENT APPRAISAL ACCOUNTANT £25,000 + p/s + m/s INVESTMENT APPRAISAL ACCOUNTANT £25,000 + p/s + m/s
One of the largest companies in the financial sector is seeking a Newly
Qualified Accountant aged 25-30, who will have gained some experience
in capital appraisal techniques with a large company or group. The
position will require extensive contact with various divisions of subsidiary
compenies, therefore good interpersonal skills combined with a positive
approach are absolutely essential. Although experience gained in the
financial sector would be advantageous, more important is the
candidate's ability to develop themselves so that they can be considered
for senior management position within 18 months.

DECLIFICT ACCOUNTAINT PROJECT ACCOUNTANT

PROJECT ACCOUNTANT

222,000 + car

This hugely successful financial services company, part of one of the largest high street banks urgently require top quality newly qualifieds to strengthen this newly created department. Main responsibilities will include implementing new systems for new funding lechniques, management and financial accounting peckages, as well as monitor and advise on product pricing. Candidates should possess high visability, excellent interpersonal skills and become an effective member of this measurement treats.



201 VICTORIA STREET LONDON, SW1 01-828 9919

34/36 THE BROADWAY 11/15 MARKET STREET

CRAWLEY WEST SUSSEX

SURREY

0273 207261

# Finance Manager

**Pharmaceuticals** 

c.£28,000 + Car

Our client, a household name and a publicly quoted Group, is a highly successful British based multi-national with sales and profits at record levels.

Based at the Division's headquarters in the UK, the person appointed will be responsible for controlling the Division's capital expenditure programme on a worldwide basis and for the management of the Division's currency exposure.

Candidates should be qualified accountants of graduate calibre, probably aged 27 to 32, who have experience of working at a senior level in a multi-national financial environment. Experience of F/X, although not essential, would be a particular advantage. Good communication skills and an outward-going personality are further essential requirements for this important appointment.

This challenging position, which has arisen because of internal promotion, has exceptional

If you are interested, telephone Stuart Adamson FCA on 0532 451212 or send your CV in confidence to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY.

### ADAMSON & PARTNERS LTD.

Executive Search and Selection

### Review, Appraisal and Investment Planning in Europe & UK **BUSINESS ANALYSIS AND DEVELOPMENT**

Age 27-30

Up to c. £30,000 p.a. plus car



Advancing technology and growing consumer demands and tastes are ensuring that this area of the leisure industry will be investing and developing tapidly during the next 5 years. As part of their response to this our client is seeking a young Accountant (or MBA with a strong finance background) to undertake the following:

\* Develop a common European planning and review

Assess investment proposals and control capital expenditure reporting worldwide.

\* Review periodic results, analysing and resolving key

Reporting to the Finance Director of this automor company (whose parent is a high profile blue chip pic), the successful candidate should clearly demonstrate:

# Good analytical skills with the shility to think laterally. Strong but diplomatic powers of persuasion with an

easy ability to integrate with European management.

\* Commitment, motivation and self-confidence. \* A high level of commercial awareness and operational

\* PC literacy is essential, with a foreign language being

Both the company and the ultimate holding parent are lessn to recruit only individuals capable of developing into the wide variety of promotion opportunities available in the

Based in Central London, the client offers a wide range of generous benefits in addition to the salary package (which could be flexible for the right individual) mentioned

Wilson BA ACMA on 01-491 3431 (or 0895 633429 evenings/weekends) or write to her at FMS, 14 Cork Street, London WIX IPF enclosing a recent CV and note of current salary.

## FMS

Search and Selection Specialists

Financial Management

# Accountants **Solicitors Barristers**

# from the profession

c£35,000 + car and benefits

This client is a well established service organisation, widely respected in the City and Industry for its consistent performance, professionalism and

In order to exploit o rapidly expanding market for a proven range of services they wish to recruit two professionals who will have the challenge and stimulus of forming the nucleus around which a substantial team will be built. Both newcomers will report to the Managing Director with a brief to contribute to the manner in which the marketing is approached, clients are managed and the internal modus operandi organised in addition to establishing long term relationships with corporate clients.

Applicants should be Graduate Chartered Accountants, Solicitors or Barristers in their 30's, who have the qualities and potential to become

Barristers in their 30's, who have the qualities and potential to become partners in their existing firms, or ore establishing their reputation in Chambers, but who wish to consider a challenging alternative career. The positions will be based in the City.

All replies will be treated in the strictest confidence. Please opply quoting reference L386 to:

Brian H.Mason Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E, 7EB Tel: 01-240 7805

Mason & Nurse

Selection & Search

# Treasury Management **New Leasing Finance Venture**

Yorkshire

Our client, a vigorous and highly successful plc with a turnover in excess of £150 million, plans to establish a new financial services company closely related to its core business. Financial services are projected to make a substantial contribution to future Group profits, and few Treasury roles can match this opportunity of so directly influencing the fortunes of a business.

Reporting to the Chief Executive of the new company you will have responsibility for all treasury and accounting activities. Draw-down facilities will be substantial and cost-effective funding will be crucial to the company's ability to compete aggressively in its lease and rental markets.

**MSL** International

To £30,000 plus car

Intelligence, flair and vitality are all qualities highly valued by our client. Additionally, you will be a qualified accountant, banker or treasurer, aged around 35, and with substantial experience of a sophisticated treasury environment - ideally in the leasing field. You should also have practical experience of using pc's and computer-based treasury systems.

Rewards include salary and bonus as indicated, car and other benefits. Relocation assistance is available if

Please write - in confidence - with full details. Nell McLaughlin, Ref. 65013, MSL International (UK) Limited, Oak House, Park Lane, Leeds LS3 IFL.

FINANCIAL CONTROLLER \$25,000 + CAR

Please send detailed CV to Nick Hyrnes Associates Ltd, Wells House 77-79 Well Street, Landon WIP 3RE Tet: 01-580 5522 Fax 01-823 1107

# INDUSTRIES

Derby c£35,000+Share Options+Car

Raine Industries plc is the highly successful parent of a Group of Companies with an impressive growth and profit record. The turnover of the Group is in excess of £200m, and its activities include housebuilding, building contracting, shopfitting and signage and property development. Being a highly dynamic Group, there are impressive development plans

As part of its continuing development, the Group is looking to strengthen its Senior Management team by the appointment of a Group Financial Controller. The post will report directly to the Group Finance Director and have responsibility

Candidates for the post should be qualified Accountants with sound financial management

skills and experience.

The successful applicant will occupy a key
Group position in a highly devolved organisation
and will, therefore, need to have the necessary personality to influence and work with person at all levels. Financial flair and commercial acumen will also be prerequisites for this

# **GROUP FINANCIAL CONTROLLER**

for the following Group functions:

Ctaxation Ctreasury

challenging post.

Applications should be made in writing, giving full details of career and salary history, and quoting reference B/162/88 to David Rowley.



### **KPMG** Peat Marwick McLintock

**Executive Selection** Peat House, 45 Church Street, Birmingham B3 2DL.

# **Taxation Professionals**

**London W1** 

A major international publisher with a turnover in excess of £1.5 billion principally in the UK and USA, Reed International ranks among the UK's 35 top companies.

Our Taxation Department, responsible for all planning and compliance for the UK Group, is looking for two high calibre professionals – qualified accountants, ideally graduates, with at least two years' post qualification experience in Corporate Tax, to fill key positions that have arisen due to expansion/

Taxation Controller c.£30,000 + benefits

Reporting to the Group Tax Adviser, you will lead a small team of Tax Accountents, monitoring and controlling the tax com-pliance activity in the UK Group. Responsibilities will include handling group tax issues such as group relief, ACT etc., as well as preparing a small number of major computations. You will also be involved in providing the tax input to the annual accounts, forecasts and budgets, and ad hoc projects.

**Taxation Executive** c\_£28,000 + benefits

Also reporting to the Group Tax Adviser, you will work on ad hoc projects relating to the Group. These will include the taxation aspects of acquisitions and divestments, joint ventures, licences and other trading agreements. You will also have the opportunity to be involved in overseas tax matters.

The remuneration package for both positions is excellent, including a company car and benefits of the level you would expect of a major company. Both jobs are based at the London Head Office in Mayfeir.

If you have the relevant qualifications and e are seeking a challenging and rewarding role, please write with full career details to: Ms. Angela Barrett, Personnel Manager, Reed International PLC, Reed House, 6 Chester-field Gardens, London W1A 1EJ.



**REED INTERNATIONAL** 

### Legal Appointments appear every Monday

£25 per single Column Centimetre for further information contact

Elizabeth Rowan

Wendy Alexander

01 248 8000

Ext 3456

Group

Finance Director

South of London Salary to £45k + Benefits + Share Options

Our client is a profitable and rapidly expanding pic in the property management and construction market. As a result of continuing growth, the Board have identified an urgent requirement for a Group Financial Director. The soccessful candidate will assume full

responsibility for financial control and play a key role in advising on corporate funding,

treasury control, investments and future mergers and acquisitions.

Reporting to the Chairman, the incumbent will be responsible for the provision of

management and statutory accounts, budgetary control, and systems development whilst continuing to play a significant role in the strategic expansion of the Group.

lidates aged between 35-42 will be powerful, energetic, innovative and streetwise

Ext 3526



MARLEY BUILDING AND HOME IMPROVEMENTS INDUSTRY AN

EXCITING NEW VENTURE BACKED BY MARLEY & PRIMO

### YOUNG FINANCE MANAGER c£22K PLUS CAR, PLUS BONUS, **PLUS SHARE OPTIONS** KENT

The challenge is to provide a complete financial and management accounting service in an extremely fast moving environment. This will be the bench mark for the group in the future. As Finance Manager you will report direct to the MD and it is likely that your background is one of either Factory Accountant or recently qualified from a major consultancy.

Resilience, durability and total commitment are the essential personal characteristics we seek together with the ability to communicate at all levels. Good performance in this post will lead to exceptional career development opportunities within a large Plc group of companies.

HIGHER STANDARDS

Our client, the UK subsidiary of a major Scandinavian group, markets and distributes a range of capital goods to industrial and retail

customers of whom several are well-known

infancy, they have the resources and Intention to grow rapidly through acquisition in the future.

They seek a qualified accountant, aged 30-35, with entrepreneurial flair and sound financial, administrative and systems development

skills, ideally gained in a service or distribution environment. Experience of cash and treasury

management and company secretarial duties

is desirable. This is an opportunity to contribute

significantly, as a member of a small team, to

this exciting venture.

Human Resources

3i Consultants Ltd

high street names. Although still in their

Surrey

Contact Bob Taylor on (0732) 770827 or write or fax to him your full career details at:

Mainspring Management Appointments Ltd Wharf House, Medway Wharf Road,

Tonbridge, Kent TN9 1RE. Fax: 0732 359351

Candidates aged between 35-42 will be powerful, energetic, innovative and streetwise Chartered Accountants who can demonstrate a progressive track record preferably in a fast moving, entrepreneurial, industrial or commercial environment. They will be self-motivated, organised and have the strength of personality to make an immediate and significant contribution to the further growth and development of the group. Potential for future growth and reward are considered to be outstanding.

If you meet these demanding criteria, please send a detailed c.v. including current salary, to Don Day FCA, quoting reference LM138 at Spicers Executive Selection, 13 Bruton Street, London W1X7AH. SPICERS EXECUTIVE SELECTION

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

### FINANCIAL CONTROLLER... ... a chance to make a real contribution

The rewards and generous tringe benefits reflect the desire to attract an Individual with the ability and potential to grow with the company. Relocation expenses will be offered.

For further details telephone Windsor (9753) 867175 (24 hrs), or write with CV to P A Page. Human Resources. 3| Consultants Ltd. 8 High Street, Windsor, Berks SL4 1LD. quoting Ref: PP/821.

Package to £35K + car

A WEALTH OF EXPERIENCE

FINANCIAL CONTROLLER PROPERTY COMPANY WIMBLEDON C £25,000 + CAR

ties (UK) is a young dynamic company and a wholly owned subsidiary of the public and drive to be part of our which could lead to significompany listed in London exciting expansion plans in- cant career advancement. and Sydney and with to the 90's. substantial interests in the

The UK company has offices in Mayfair and Wimbledoo. fuoction and enhancement write enclosing full career It has already established an and implementation of details initially to: impressive platform for management reporting. The Chief Executive, future growth with a \$200m hudgetary control and pro- Merlin International development programme and future expansion will be organic and by acquisition. It highly motivated team, Upper Grosvenor Street, is now setting up indepen-

tunity for a young qualified to corporate planning, funaccountant with ambition ding and acquisition stratigies

development and control of ing would be advantageous the P.C. hased accounting but not essential. Please perty management systems. Properties Ltd, You will be part of a small Merlin House, 47 reporting to the MD and will London WIX 9PG. dem accounting systems and have the opportunity to Tel. 01-408 201a.

Merlin International Proper- this has created an oppor make a valuable contribution

Some experience of Proper-This key tasks include ty and development financ-

# Financial

**WEST END** Package c. £25,000 + Bonus

· . . .

Our client, based in the heart of Scho, is one of the market leaders in post production editing. Its client list includes television com-ponies, rock groups and many major corporates. The firm's repu-tation for quality is unrivalted. Due to considerable expansion they

now require a financial controller to: --manage the accounting, financial and computing functions of the company

prepare all management and financial accounts

 develop and implement controls throughout the... work as part of the management team in management

ing the company Reporting to the Managing Director, the successful candidate with be a qualified accountant with a minimum of 3 years post qualifi-cution expedence preferably in a similar position.

In addition to working within a dynamic and creative environment, the successful condidate can expect not only a generous pac-lage, but the opportunity for increasing responsibility. If you feel you have the experience, motivation and drive to succeed in this challenging position, then please write enclosing full CV, salary history and day time telephone number to Steve McBride (Ref FT104).

ROBSON RHODES

Chartered Accountants

Management Consultancy Division, 186 City Road, London, EC1V 2NU. Tel: 01-251 1644. Fax: 01-250 0801.

EAST ANGLIA'S MOST DYNAMIC PROPERTY COMPANY

REQUIRES A FINANCIAL DIRECTOR

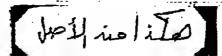
SALARY £20,000 to £40,000 by negotiation

Profit Share. Car. Bupa. Pension. Relocation expenses. 6 weeks holiday . The company has a large expanding residential and commercial portfolio in East Anglia and is to imminently establish itself in other locations in the United Kingdom.

Applicants must posses drive and enthusiasm and be able to liase with various funding institutions under their own initiative.

CV's to The Chairman Cape Cross Ltd Cape House 5 North Street Wisbech, Cambs





# Senior Audit Manager

### **East Midlands**

(BER 24 1988

tang<sub>bed</sub>

....

than dry

A. Orași

Nell

i lUX)

JJJ 1

1 2w 12s.

ir allent CALL MA based at

PICE AND

IN WITE

ภูปร

van'.

Section 1

and the state of

Sec. 15 35.

1 1 2 1 BK 

19.50

ES

VISION

A'S

11

17#1XIP

 $(a,b)^{2}$ 

1. 18.0 

. L.M.

ya ed 😯

CTOR

10 

4 1 March Interesting to £30,000 + Car + Relocation

Our client is one of the UK's leading firms of Chartered Accountants and Management Consultants providing a wide range of services to clients drawn from both the public and private

They are active across the complete spectrum of commercial and industrial enterprise, advising a wide range of audit and independent clients on issues such as acquisitions, mergers and disposals.

Increased demand for the firm's audit, consultancy and other services has resulted in considerable expansion of the local office. They now require a Senior Audit Manager to contribute to further growth of the general

practice, overseeing development and training of professional staff and to assume responsibility for a number of high profile audit and investigation

Applicants will be operating at a Senior level in a major UK firm and able to demonstrate high levels of technical skills, motivation, commercial awareness and leadership qualities.

If you are interested in achieving your career potential with a major firm in an attractive provincial city, contact Anne Mills on (0602) 483480 or write to her at Imperial Building, Victoria Street,

Nottingham NG1 2EX.

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingha Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

# Finance Manager

### Holborn

to £30,000 + negotiable benefits You will be a qualified accountant, aged 30-45 with:

good computer experience in particular with PC's;

initiate actions, and good communication skills, are

If you are interested and meet the above requirements

then please send your curriculum vitae and daytime

familiarity of US accounting principles; and,

knowledge of international trading procedures

(eg. letters of credit). Confidence, the ability to

telephone number to Jon Anderson ACMA,

Executive Division, Michael Page Finance,

We have been retained by an international corporation in the European drinks industry. As part of it's strategic plan the company is poised to expand it's European operations. Linked to this expansion is the need for an accountant to develop and manage the finance function.

Reporting to the Financial Controller in London, you will be responsible for the implementation and management of accounting systems. Specific tasks

- \* The preparation of financial plans
- \* Budgetary control
- Maintenance of financial accounting.

39-41 Parker Street, London WC2B 5LH, quoting ref. M108.

all essential pre-requisites.

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

**ACCOUNTANCY & LEGAL** 

PROFESSIONS SELECTION LTD 3 London Walf Suildings, London Wall, London EC2M SPJ Tel: 04-588 3576 Telex No. 887374

ALPS

LONDON

**HEAD OF FINANCE** 

£25,000-£30,000 + CAR

FAST-EXPANDING COMMUNICATIONS DIVISION (2500M T/O) OF A MAJOR, ESTABLISHED PLC—WITH AN EMPHASIS ON NEW PRODUCT DEVELOPMENT AND GROWTH BY ACQUISITION.

The continuing expansion within this division has created this opportunity for qualified accountants (CACA, CIMA, ACA) aged 25-35, who have had at least 3 years' practical financial/management accounting experience within a commercial organisation, using applicationated EDP systems. Key elements of this widely-drawn role are: providing financial and advisory support to the General Manager (including budgets, variance analysis, internal controls, monthly reports, five year plans, systems development) assisted by a small team. On as at hoc basis, there will also be investment appraisals of projects, capital expanditure and acquisitions. This responsible and "hands-on" role requires a high degree of commitment, energy and effective communication sidils. Initial salary negotiable £25,000-£30,000 + car + contributory pension achieve, free life assurance and assistance with removed expenses if necessary. Reference: HF188/FT.

£18,000-£25,000 For a further vecancy in the above organisation, we invite applications from Pinalist or Part-Qualified Accountants (CACA, CIMA, ACA), aged 23-30, who intend to complete their qualifications and who have had at least 3 years' accounting experience. MBA graduates with a financial background will also be considered. Reporting to the Head of Financia, the successful candidate will provide financial and management accounting support to the business unit and product management, assisting in stock accounting, internal controls, budgets, forecasts and ad hoc appraisals of new products and earlier expensions. As also were product to the business unit team, this is a varied and challenging role for an ambitious and self-motivated commercial accountant who wishes to contribute to the division's ambitious development plans. Initial salary negotiable \$18,000-525,000 + contributory pension scheme, tree life assurance and assistance with removal expenses. Reference MA169/FT. Applications, in attict confidence, quoting appropriate reference, either by stephone on 01-588 3027 (daytime) or 01-673 6783 (eventings/weekende) or in writing to the literanging Director: ALPS

ACCOUNTAINCY & LEGAL PROFESSIONS SELECTION LIMITEN, 3 LONDON WALL FIRE DUISS, LONDON WALL, LONDON EC234 SP.L. TELEPRONE 01-506 3500 or 01-506 3576. TELEX: 807374, FAX: 01-256 8591.

### **Corporate Finance**

£25,000-£50,000 + Car + Mtge

Cur client is one of the City's leading investment banking groups whose Corporate Finance and Advisory team has established for itself an outstanding reputation in both the UK and international markets. Planned expansion of their high calibre team has created a number of opportunities for outstanding individuals, hitial responsibility will cover such areas as acquisitions, mergers, florations, share issues, management buyouts, refinancing and cross-boarder deals. You will be a lawyer, qualified accountant or an experienced corporate financier, and possess a high level of business acumen. For a discussion on this exciting organisation call John Bowman (evenings on 0474 874473). All discussions will be in the strictest confidence.

#### **Business Strategists**

This strategic consultancy is pre-eminent in its field. With 1992 in sight, increasing emphasis is being given to achieving competitive advantage for clients in preparation for the opening of the European markets. This has created domands for high calibre achievers who are currently involved in creaser common acr night casers acrevers who are currency involved in strategic thinking and implementation with a blue-chip multi-national or a consultancy. Excellence in terms of personal skills is as important as a first class academic and career track record. A second European language would be an advantage although not essential. Age range between 27-34. Call Flora. Balley for further information (evenings 01-892 1381).

### **Venture Capital**

£25,000-£60,000 + Car We are pleased to be working with a select number of specialist venture and development capital companies including both independent and merchant banking based operations, who are currently recruiting a limited number of outstanding individuals to expand their teams at Executive, Manager and Director levels. Candidates should be qualified accountants with the skills necessary to make an immediate contribution or be experienced venture capitalists. You will review project viability, company appraisals, develop financing plans and fund raising proposals, provide investor information and manage the investment portfolios. For further information call Howard Foster (evenings 0727 55639). C. London

### **Operational Review**

c£30,000 + Company Car West London

Our client, an international Conglomerate with a turnover well in excess of 3 billion, is a world leader in the field of leisure hi-rectinology and manufacturing. They are currently seeking professional individuals for high profile business review roles. You will gain an in-depth understanding of the business from a variety of special assignments and ad hoc projects enabling you to make a positive contribution to the development and future of the business. The successful candidates will ideally be qualified accountants with some commercial experience, who have strong technical accounting and business stells. Salary commensurate with age and experience. Please contact judith Eilis (evenings 01-463 0471).



**PUTREAL DRIVE** INTO OUR BUSINESS DEVELOPMENT

Regional Management Accountant

cf22.5k + LWA + 2 Litre Car As you would supert from Britain's premier motoring organisation—we see tremending opportunities for busins development in the 1990s. Already, our forward thinking £26 million investment programme—is well under way.

And to make sure we maximise future opportunities in our operations, we're looking for a management accountant with real drive and vision, to work in our Southern Regi

based in Croydon. As a key member of the management team, you'll be transforming statistics into business strategies, examining the financial implications of these new initiatives and working closely with line managers to achieve Regional.

Very much a pro-active rule, you'll act as the business advisor to the Regional Director, generating ideas for new business development and more effective use of resources. Your leadership will provide guidance and motivation to the Accounting Team; ensuring the highest standards are maintained.

Probably in your late 20s, early 30s, you're a qualified accountant with a successful track record of achievement in a commercial environment. Highly innovative, you must have flair and the ability to communicate at all levels. Previous management experience is essential. In addition to an excellent malary, first class benefits package and great career prospects, this is a rare opportunity to influence the growth of one of Britain's most

opportunity to minous and prespected companies:
Interested? Write now with full CV to: Regional
Personnel Manager, RAC Motoring Services,
RAC House, Landsdowne Road, Croydon. CB9 2JA.

#### ACQUISITIONS AND PROJECT MANAGER (DIRECTOR DESIGNATE) To £30,000 + Car + Share Options YORKSHIRE BASE

Our client is a large dynamic public group with an outstanding

record of growth and profitability from diverse activities including retail and property development. The group's commitment to continued expansion by acquisition

necessitates the appointment of a high calibre qualified commercial accountant with clear potential to emerge as Finance Director of a public company.

Initially the successful candidate will be working very closely with

the Group Finance Director on ad hoc projects with the aim of obtaining an in depth understanding of the group's business interests. There will be specific involvement in identifying and negotiating with potential acquisitions, following through to ensuring successful integration into the group structure.

Interested applicants should be ambitious, articulate and profit motivated self-starters aged 28 to 34 who can display a track record to date demonstrating the ability to accept increasing responsibility in a fast moving environment. Candidates must be able to offer a positive and commercial

contribution at Board level in a pressurised and sales orientated environment. The willingness to provide a high level of commitment will be rewarded with well above average earnings potential and will be rewarded with well above average earnings potential and career development.

In the first instance please write to Alyn Pearce quoting ref: 887/310 FT at Daniels Bates Partnership, Fountain Precinct, Leopold Street Wing, Sheffield S1 202 or telephone him on (0742) 754015.

### <u>Laniels</u> Lates Lar(nership

Graphic Centres Limited



### CHIEF ACCOUNTANT

We are an established private company engaged in the supply of studio and print room products, and the supply of reprographic services to the architectural and engineering businesses.

Since the change of ownership twelve years ago

we have gone through dramatic growth from one branch and a £300 k turnover to nineteen branches and a £15 million turnover. Our aim is to expand further and we would be looking towards a stock market quotation in 11/2/2 years time in order to continue our goals.

We need to (a) Strengthen our accounting team (b) relocate to larger offices (North, West or North West of London) (c) Install the new accounting system and software which has already been researched.

A qualified accountant is required to head the accounting department. Aged 26-40 you should have a hands on approach and be able to control all functions of an accounts department of fifteen people. You will be responsible for the daily functioning and preparation of the management and annual accounts.

The salary envisaged will be circa. £30,000 plus a company car and will have the opportunity of progressing with the company's growth, sharing in the ensuing benefits.

Please write enclosing career history and daytime telephone number to

Anthony A. Wickham,
Times Graphic Centres Ltd.,
P.O. Box 4TG, 11-13 Pollen St., London, W1A 4TG

### **Corporate Role Within Rapidly Expanding PLC...**

**Excellent Career Prospects** 

Sevenoaks

c.£30K + car

in five years, our client a leading distributor of office equipment, has grown ten fold to a current turnover of over £100m. This growth is the result of a carefully orchestrated strategy involving tactical acquisitions and planned

This newly created position forms part of a small team based at the company's prestigious HO in Sevenoaks. Your brief, which will broaden over time, will initially focus on statutory and management reporting, pre and post acquisitions analysis and investigations and development of company

We seek an ACA, probably 25-35, ideally with experience of public company reporting, LOTUS 123 and acquisitions exposure. Career prospects within this rapidly expanding group are excellent and success in this role should lead to a more senior appointment in either finance or general

This is a significant opportunity to join a truly exciting and dynamic group. Please send your c.v. including current salary level to Phil Bainbridge, Ref. 35100, MSL International (UK) Ltd, Pilgrim House, 2/6 William Street,

Offices in Europe, the Americas, Australasia and Asia Pacific.



# **Deith Leisure PLC**



New Maiden

£22,000+Car Having been recently acquired by Corton Beach, Delth Leisure Picare now poised for a rapid expansion in the americans and acquired expansion in the entertainments and accessors industry. Count assure recars now poised for a rapid expansion in the Clearly this expansive phase true Europe Offers a unique opportunity for a Qualified Accountant to assume control for all financial aspects and improve accounting systems. In addition the role will encompass much liaison with senior management.

CONFIDENTIAL

CHIEF ACCOUNTANT (F.D. DESIGNATE) c£22,000+Car

Accountancy Printing 19-23 Mariena Hill, Demokry 1972 0440. Tal: 01-454 8848

Having achieved major export success, this manufacturer of high quality components supplying primarily the automotive industry, seeks to appoint a commercially actude accountant to head their accounts function. Encompassing the timely production of financial and management accounts, man-management and computer systems development, this role provides an ideal exportantly to contribute towards the company's already enviable growth record.

**SPECTRUM** 

FINANCIAL DIRECTOR DESIGNATE

Spectrum are a successful Marketing Distribution Company operating in the UK and European market. Oue to rapid growth and expansion they require a commercially aware Accountant to work with the Managing Director. The responsibilities will fuclude handling all aspects of corporate finance, identifying and investigating new business opportunities and kelping develop the company through its growth stage, as well as running the day to day accounting function for U.K. and overseas operations. It is no unchalled opportunity to join a small growth orientated company. Ref: JF:



Accountancy Personnel

Placing Accountants First

# PROJECT ACCOUNTANT

LONDON

c£23K + Car

In less than two years Meridian has, by internal growth and acquisition, successfully pursued are objectives of becoming Europe's leading computer leasing and service or programisation. We are now a £1 billion company offering a complete single of Financial and Data Processing services and are well positioned for further growth in this dynamic market. We now have an interesting apportunity for a high calibre finance professional with the ability to plet a major part in our accounting team. You will be a graduate and M. A minified.

Responsibilities will include grapheration of statutory accounts for all subsidiaries, assisting in the proparation of statutory accounts for all subsidiaries, assisting in the proparation of statutory occuments for main company, provision of information for are compensations, company budgets, coordinating audit arrangements and continue statutory occurrent with ad hoc projects.

Reporting to the Financial Composition we offer excellent prospects and a first class representation partiage.

Please write with full C.K to Rose Marie Edwards Personnel Manager.

Meridian Computers Limited, International House, 7 High Street, London W5 5DB.

Tel: 01-997 7070.

Europe's: leading computer sessing sent service organisation.

# Finance Director

c£35,000 + car + profit share

A market leader in office refurbishment, our client ia e fast expanding, privetely owned company with ambitious plans and dynamic management. Their turnover is approximately £12 million per annum, with e growth rate of 50% forecast for the great three years.

next three years.

They now seek e Finance Director to help launch the company into its next phase. This will involve working towards a flotation in the medium term followed by an aggressive acquisition programme. Immediate requiraments are e prectical and flaxibla approach as duties will range from developing financial systems and improving management information to ad hoc responsibilities for a variety of financial and management projects. In addition to this the Finance Director will have strong negotiating skills in order to liaise effectively with financial institutions, clients and the board.

The successful candidate will be a qualified accountant with strong management skills, a high level of diplomacy and strategic experience.

Applicants should Ideally have been involved in the investigation of acquisitions and their subsequent integration into a group. They must have experience of taking a company to flotation, and have strong treasury and computer skilla. A building background is preferred but is not essential.

The lob is located in Victoria and will carry an attractive salary, executive car and a performance-related bonus as well as other benefits.

Please write, in confidence, to Kelly Irlanda at the address below, quoting reference no



# **Stoy Hayward Associates**

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON WIM 1DA

### European Controller Excellent Salary + Car **Paris**

seeking to strengthen its management team with the appointment of a European Controller.

Reporting to the European Vice President and supervising a team of 20 staff, the successful candidate will have responsibility for reporting, consolidation, financial analysis, budgetary control, planning, treasury and tax. An early duty will be the improvement of the existing job costing

With an international outlook, ideal candidates will be qualified accountants

Our client, a US high technology multinational, is from a Big 8' firm background and, more recently, have had financial control experience in an American group.

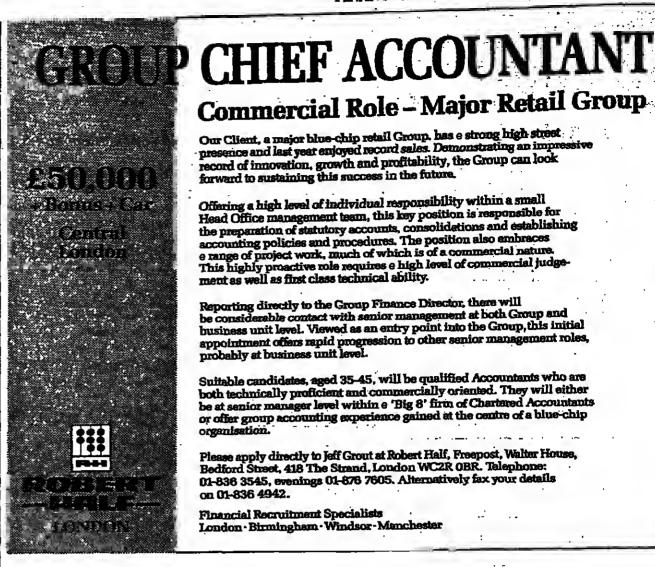
> A working knowledge of French is essential, whilst production and acquisition experience would be

> Please contact Ivor N. Alex in Paris on (010) 331 42 89 30 03 or write to him enclosing a comprehensive CV and present remuneration package, at Michael Page France, 10 Rue Jean

Goujon, 75008 Paris quoting reference IA 1474 FT.

### Michael Page International

International Recruitment Consultants London Amsterdam Brussels Paris Lyon Sydney



### **Head of Finance Scottish Homes**

to £30,000, moving to performance related

This is a key appointment at the centre of a new development spancy which brings together the resources of Scotlish Special Housing Association and the Housing Corporation in Scotland to create a tone for change within the Scotlish housing market. Annual expenditure is in excess of E300 million. Responding to the Director of Corporate Services, the role initially is to eversee the development and implementation of accounting, financial control and reporting systems suitable for repidly changing and decentralised operations. There is also an opportunity to contribute to postly misking and to provide commercial advice and support to line management.

Arthur Young Common Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

# **Financial** Director

**West Yorks** 

£25,000 + Car

An autonomous part of a major UK group, our client is a private label manufacturer of chilled foods, supplying all the major multiples. Turnover is in excess of £40 million.

Reporting to the Managing Director, you will be involved in the management and development of this expanding business. Your first priority will be to develop basic cost information systems and ensure their effective operation, which will require the ability to work from the factory floor and lead by example.

A finalist or fully qualified CMA you will have extensive experience of integrated management accounting systems, closely connected with budgetary control and standard costing. Familiarity with company secretarial and statutory accounting requirements is also desirable. Salary is for discussion cs25,000, and the benefits include a fully

expensed car and relocation assistance, where appropriate. Please write with full personal and career details. These will be forwarded to the client concerned. Please list any companies in which you are not interested. Chris Robertshaw, Ref. CR/B/27.

with commercial flair.

corporate systems function.

commercial organisation.

A leading pleyer in the telecommunications

sector at the forefront of technological change,

offers an excellent opportunity to e systems

professional combining technical expertise

Responsibilities will be hands-on, in a high

profile role. Emphasis centres on spearheading

the implementation of major new financial

systems to achieve maximum efficiency, significantly contributing to business objectives. An

effective communicator is required to interface

with line management et all levels and the

Our client has demonstrated vigorous growth

and a competitive edge in their hi-tech market, current turnover in excess of £100m. Ideally e

qualified accountant, aged 28-35, you will

have e successful track record implementing

sophisticated software in a substantial

Candidates with career aspirations to match

this superb opportunity should write briefly

enclosing a CV or telephone for a personal

history form quoting ref. 5175 to Kiran

RECRUITMENT SELECTION & ADVERTISING

London WC1R 4AP Tel: 01-242 8103

Cartner, Consultant - Industry & Commerce.

Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

**M5L** Advertising

SYSTEMS

Salary c.£28,000

Company Car +

Large company benefits

**EXECUTIVE CONNECTIONS** 

City

**ACCOUNTANT** 



### Secretary & Chief Executive

### INSTITUTION OF ELECTRICAL ENGINEERS

(To succeed Dr Howard Losty, D.Eng., F.Eng., FIEE, on retirement.)

The Institution of Electrical Engineers (which recently merged with the Institution of Electronic & Radio Engineers) is a major professional institution with a staff of 450 and an annual income in excess of £16m. The Secretary and Chief Executive is responsible to the President and Council for the management of the Institution and also for its associated publishing and information business.

He (or she) will be a Chartered Engineer and a Fellow of a major engineering professional institution probably in his early 50s. He will combine business and management skills with the sensitivity to fill e role which is both the master and the servant of the Institution. He will be a good communicator with authority and the ability to present complex issues simply, clearly and with conviction to the public and to government. He will have the imagination and drive to expand and develop the associated commercial activities. He will be both comfortable and respected in senior business and government circles where he will already have a wide range of

The salary will fully reflect the importance and seniority of the appointment,

Please write in confidence, with a curriculum vitae, to the management consultants advising on the appointment, addressing your application to: The Chairman, Spencer Stuart & Associates, Brook House, 113 Park Lane, London WIY 4HJ.



#### **BUSINESS SCHOOL** SENIOR LECTURER (ACCOUNTING AND FINANCE)

The Beatness School currently provides a range of dwich, full time and part time courses and plans to her fracesse, the provision of accounting education. education, in company training and short course provision. You will be expected to teach on and develop axisting courses and help to develop ne

develop existing courses and help to develop new courses.

Whilet ideally you should be a qualified financial accountant (ICAEW/ACCA) a suitable graduate or part-qualified accountant will certainly be considered. Your interest and knowledge of accounting information technology will be a definite asset, as will your experience in education and/or industry.

This stimulating and challenging post offers excellent opportunities for salary enhancement, via consultancy and short course activities.

Salary scale: £16,674 — £19,854 pa Inc.
Further particulars and application form from the Staffing Officer, Thames Polytechnic, Wellington Street, London SE18 6FF, to be returned by 13 December 1988.



Seeking to achieve equality of opportunity

# **Financial Advisor**

Oman

... influential role in newly formed investment company

Substantial tax free salary + benefits

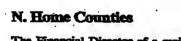
The formation of a privately funded investment company has created an opening for a Financial Advisor who will guide the Board on strategic Investment of resources within the Sultanate across a broad potential prospectus. Initially, short-term fund investment advice is required, and the position will involve budgeting, staffing recommendations and performance monitoring.

Probably aged 40-73, your experience should incorporate portfolio management and project analysis/management, coupled with overseas experience involving profitable yet conservative ventures. Integrity, critical analysis and communication skills of the highest order are called for.

The tax free salary and benefits are commensurate with the importance of this sppointment, and for the right person a long-term association could ensue. Please reply in confidence with full career details quoting ref. 8.1280/1 to Roger Wortley.

MSL International (UK) Ltd, Pilgrim House, 2/6 William Street, Windsor, Berks SLA OBA. Office in Europe, the Americas, Australasia and Asia Pacific.

**MSL** International



The Financial Director of a major MBO requires a high-calibre, young accountant to assist him in the development of strategic projects designed to enhance corporate development well into the 1990s.

P.A. TO F. D. •

Financial planning, acquisition reviews, marketing and product appraisal together with corporate finance activities are part of this fascinating and wide ranging role. Candidates will be aged late twenties to middle thirties with ambitions to a divisional directorship in the medium term. Full relocation.

For a confidential discussion please contact Jack Henderson on RECRUITMENT him at the address below.

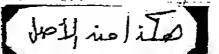
incery House 53/64 Chancery Lane London WC2A 1QS

# A direct line to the executive shortlist

is do not need to find or apply for appointment of a chief







# Group Financial Controller

### London

### c£40,000 + Car

Our client is a dynamic and highly marketing driven major UK plc. The company has established an impressive growth record that has been developed through its original core business as well as through acquisitions

A Group Financial Controller is nov responsibility for the financial operations of the business and provide management and financial information to the highest standard. The role will also be expected to contribute to the Group's strategic direction and will be actively involved in the assessments of new ventures. Candidates should be qualified accountants, age indicator mid 30's, who ideally have service industry experience. The ability to contribute on

a broad front in a professional and enthusiastic manner in this high profile role is essential. It is an excellent opportunity that offers total involvement with the future of the Group.

Please write or telephone enclosing full curriculum vitae quoting ref 241 to: Philip Cartwright FCMA, 97 Jermyn Street, London SW1Y 6JE Tel: 01-839 4572 Fax: 01-925 2336

## Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

Hands-on Role in International Environment

**DIRECTOR OF FINANCIAL CONTROL** 

Search and Selection Specialists

**Financial Management** 

#### **VACANCIES MINISTRY OF EDUCATION INFORMATION AND YOUTH -**SEYCHELLES

A rare opportunity exists to work in one of the most beautiful and attractive countries in the world.

Vacancies exist for one post of Financial Controller and one post of Internal Auditor.

Salary - Basic salary of the post will be offered plus eupolementation allowance which will be negotiable. A statutory deduction of 5% will be made for Social Security

Benefits such as passages end subsidised housing are being offered. Duration of contract is a minimum of two

Interested persons with the ebility, enthusiasm end initietive required within this chellenging environment should write to the Financial Controller Ministry of Education, Information and Youth, enclosing full CVs and other relevant references on the following address:

Seychelies High Commission P O Box 4PE 50 Conduit Street

by the 2nd of December 1988.

as there is no income tax.

As successful applicants will be expected to be in the posiby the 1st of February 1989, the latest, relevant addresses and telephone numbers ehould be given so that epplicant could be informed of the date and venue for interview expected to be held between 12th to 16th December 1988.

> Appointments Advertising appears every Monday Wednesday Thursday

# Management Accountant

### c£22,500 + carSurrey/Sussexborder

This £175m Division of a major UK consumer product group has established on envioble reputation as market leader by the determination of dedicated monogement to consistently enhance the strength of its brond partfolia.

The opportunity to join this dynamic and successful organisation will oppeal to recently qualified ACMAs/ACCAs seeking the variety and challenge of real participation in the further profitable development of its

operation.

As a key member of a business sector team, the management occountant will play an important role in driving forward performance by the provision of quality management information and reports. The scape of the position will include evaluating and advising an promotional activities; advancing the development of business sector reporting; providing financial and commercial objectivity in supporting operational decision making and the financial focus to improve the efficiency of angoing functions.

Applicants, preferably in the age range 24-29 should be commercially

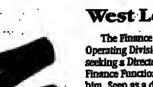
Applicants, preferably in the age ronge 24-29 should be commercially astute and oble to demonstrate well developed technical skills, ideally gained in the consumer product industry. Initiative and enthusiasm are essential as are the interpersonal skills and oblity to progress within this fast maying environment.

Please reply in confidence quating reference E149 to:

Adrian B. Edgell Mason & Nurse Associates 5a Station Road, Egham Surrey TW209LD, Tel: 0784 71255 Offices in London, Birmingham and Egham.

Mason & Nurse

Selection & Search



West London

The Finance Director of an international Operating Division within a large well-known Pic is seeking a Director of Financial Control to head up the . Finance Function, one of three areas reporting to him. Seen as a development opportunity for Divisional Finance Director roles in the medium-term, the responsibilities of the present position include:

Monitoring and advising operating units in areas of finance development and business review. \* Overall co-ordination and development of the Divisional Finance function.

The client operates in the PMCG market, and hence the successful candidate must be able to onstrate the following:

\* Flexibility and the ability to contribute under pressure in e rapidly changing environment.

c. £35K plus car etc.

\* A mature, credible presence, able to integrate well with Operational Management, Group Directors and Personnel, and Senior External

\* Strong but diplomatic powers of persuasion. \* Obvious promotion potential.

You will necessarily be a graduate, qualified accountant in your early to mid 30's with relevant line and staff experience in a similar prestigious international organisation.

Interested candidates should contact Peter Flammiger on 01-491 3431 or write to him at FMS, 14 Cork Street, London WIX 1PF enclosing a recent CV and a note of current

Alderwick



Young Accountant

# Operational review on a worldwide scale

£22,000 - £24,000 + Car + Full Overseas Allowances C. London

Based in Central London, yet spending around 50% of your time working in locations as diverse as Rome, New York, Sydney and Hong Kong, on assignments of up to three months, you will make recommendations that will affect key management decisions. Our client is one of the world's largest telecommunications companies and enjoyed 25% growth last year.

This is a true operational review role, with no traditional internal audit involvement. Managing and working alongside a small team of newly or part-qualified accountants, your wide-ranging brief will cover investigations into, and analysis of, diverse issues such as:-

▲ New product feasibility ▲ Post-acquisition appraisals ▲ Financial control product Having completed your designated assignment, you will then present your findings, through your Manager, to the Board, and will enjoy the satisfaction of quickly seeing your recommendations being implemented. This would suit a recently-qualified accountant with sound experience gained within a major commercial organisation, or an ACA with blue-chip company audit exposure considering their first move from practice. Having gained a global overview of their operations within around 18 months, you will be given the option of a more senior Financial Planning role within the UK or a guaranteed overseas second

Please contact ANDREW LIVESEY on 01-404 3155 at ALDERWICK PEACHELL AND PARTNERS LIMITED, contact and Financial Recruitment, 125 High Holborn, London WC1V 6QA.

Peachell

#### **GROUP FINANCIAL CONTROLLER NORTH SURREY** SALARY CIRCA 235K + CAR

A diverse and fast expanding public group based in North Surrey, but with locations throughout the U.K. wishes to strengthen its head office team by the appointment of a Group Financial Controller.

Reporting to the Finance Director, the successful candidate will be responsible for the financial reporting and budgeting procedures in this decentralised group. He/ she will be expected to monitor the performance of the individual business operations and report thereon to the Board. In addition the candidate will be involved in all the other aspects of the group's finance function including systems development, computerisation, treasury and acquisitions.

This is a senior position in the group and the requirements are exacting, it is essential that candidates are qualified and that they have had experience in a similar role or as the number two in a reasonable sized group operation. It is unlikely that anyone under the age of 35 will have had sufficient experience.

Please apply in writing enclosing a detailed c.v. which must include your salary history and preferably both a daytime and evening telephone number, both of which will be used with discretion.

> Write Box A1065, Financial Times, 10 Cannon Street, London EC4P 4BY

FINANCE DIRECTOR

Rapidly expanding Devon based company with a present £3 million turnover, seeks a Finance Director.

The candidate who should be a qualified accountant will

ideally be aged between 28 and 40 with strong accounting

For further details, please write including your C.V. to:-

FINANCIAL DIRECTOR (DESIGNATE)

London publishing company requires a qualified person to take control of all accounting and company secretarial

The company is floating on the USM this time next year and

the successful applicant will play a major role to the launch. The ideal candidate will have experience in taxation, flotation and acquisitions. Some experience in publishing or related

Salary is negotiable around £26,000 plus car and share

Write with C.V. to :- Kevin Harrington, Harrington Kilbride & Partners Ltd, 21 Cross Street, Islington, London N1 2BH.

Beavis Walker
Chartered Accountants
14 Southampton Place,
London, WC1A 2AJ
Ouoting Reference SN

and communication skills.

Quoting Reference SN

would be an advantage.

Beavis Walker

# c.£25k package inc. car (under review)

An influential role in

Charity Management

The new spirit of dynamic professionalism characteristic of the eighties is making radical changes in the operations of many of Britain's charitable organisations — and our client is oo exception. They are evolving oew structures and policies to meet contemporary problems head on, tackling issues such as homelessness; drug abuse and unemployment.

Within this climate of development and change, an exceptional opportunity is being created for an achiever, ideally in his/her thirties, who will report to the Chief Executive and influence the direction and growth of one of the world's best-known charities.

Administration and Corporate Planning

Flexibility and vision are the key elements in this extremely influential post at the heart of policy making and corporate planning for the organisation. The initial brief encompasses long and short term planning, legal and financial concerns, but over the oext few years the scope and responsibilities will greatly increase. We are therefore looking for someone with strong analytical skills who

thrives on managing change.

You are most likely to have the skills required if you have held a position as
Company Secretary and Financial Director. Other backgrounds calling for
sound financial understanding and corporate planning skills would equally be

Wherever you come from, you will most certainly have a strong desire to put your talents to work alongside your deep commitment towards solving the problems we have mentioned above. This position calls for a high calibre individual who whilst maintaining a commitment to its Christian aims and ideals, can positively influence the future

of a major charitable organisation.

In addition to the salary and car indicated above, there is an excellent package of benefits including relocation assistance where appropriate.

To apply, send your cv to Lisa Booth at Austin Knight Selection,
20 Soho Square, London W1A 1DS.
Alternatively ring her on 01-439 5775
(01-256 6925 evenings/weekends) for an application form or an initial informal discussion. Ref. 757/LB/88.

### GREECE

### **CIRCA 8 MILLION DRACHMAS**

distributors in Greece, is seeking a qualified accountant in the thirty to forty age range This is a fully fledged finance director role, involving complete charge of

finance and administration in the domestic company, and which, importantly, will also encompass the introduction of modern treasury techniques and the development of a computer based management information system.

The successful contender will have the ability to respond quickly to the changes which are currently taking place in the Greek financial system and, while a detailed knowledge of Greek taxation is not a pre-requisite, a capacity to develop an in-depth understanding of the statutory fiscal and taxation situation is needed. There will also be the opportunity, in consort with the company's bankers, to initiate new schemes of retail finance.

The company offers a competitive salary and attractive benefits including a fully expensed car. Applications with detailed career history and salary progression should be sent in confidence, quoting reference DG 1711 to

> Tony Bell, Adnams Bell Thomas & Styles, 87 Jermyn Street, London SW1Y 6JD.

# FINANCE ANAGER

London

Our Client is an international market leader involved in the manufacture, development and marketing of brand leading consumer products. This forward looking organisation has recently committed substantial capital to new product development and an aggressive media support campaign. As a result of internal promotion, an outstanding

opportunity exists for a senior finance professional to actively contribute towards the development of the business. Based at the European Headquarters, you will be responsible for 20 staff, and will be cootrolling and developing the financial accounting and reporting functions. In addition, you will be actively involved in the on-going development of computer based systems and financial controls.

Candidates will be qualified Accountants cepable of making an immediate contribution in this key role, and will have the ambition and potential for early career progression. You will also possess commercial judgement, analytical ability and proven management skills.

To discuss details further, please telephone Suzzane Wood oo 0753 857181, (evenings 01-876 5405), or write with CV to Robert Half, Freepost, Mountbetten House, Victoria Street, Windsor, Berkshire, SL4 1YY. Alternatively fax your details on 0753 860696.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester

### FINANCE DIRECTOR

### Our dient, an international group and one of the major vehicle importers and

Candidates should be professionally qualified and fluent in Greek and English. Experience of working in Greece would be useful, but more critical will be the ability to fit comfortably with, and work effectively in, a matrix of domestic and international reporting relationships.

# Financial Analyst

### N. W. London

Young MBA/CA

### c.£22,000 + car

Our client is a highly successful U.K. chemical company and is part of a major international group with worldwide diversified interests.

An attractive opportunity has arisen due

to internal promotion for a recently qualified graduate Accountant/MBA as e Financial Analyst. The position involves exposure to the diverse U.K. business and will include liaison with senior management, responsibility for the analysing and preparation of capital expenditure proposals and participation in business planning. Personal qualities are most important

 good written and verbal communication skills, together with self motivation are all essential ingredients. Extensive use is made of Information Systems, main frame and personal computers. Future prospects are excellent with opportunities to transfer into operating divisions, both in the U.K. and Europe.

Please send full CV to Confidential Reply Service, Ref 9759, Austin Knight Advertising Ltd, 20 Soho Square, London WIA 108.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

MHER 3 194

3roup

7.171793

14.1.7 TURE 22 27N 1800 . CONTRACTOR er- umi The second secon

. . 27. -e d die een bankt toe ook dat die ee geweg tij

II 5.900+(\$ N. M

10 40 40 S. C. S. Law P. Post The state of the s

# **Financial Controller**

c.£30,000 + f/e car + excellent benefits

London SW7

The Company is the subsidiary controlling the European operations of AIFS Inc. a fast growing US public group with e turnover around \$100m. A leader in the field of educational travel, the Group designs, markets and operates high quality educational and cultural programmes worldwide including Camp America. The Group is expanding through both organic growth and

Based at the European head office and reporting to the Financial Director – Europe, the Financial Controller will be a member of the executive committee and play an important role in developing computerised business systems. Other responsibilities will include controlling the accounting and reporting for several subsidiaries, establishing and monitoring controls, treasury, budgeting and forecasting and staff management.

Candidates should be qualified accountants, aged 28 to 40 with solid experience of computerised systems development gained preferably in a multi-company multi-currency environment. You will need commercial flair in order to ensure that the operational systems integrate fully with the accounting and

systems. Strengths must include the ability to establish and maintain controls, initiate change and manage staff. Well developed skills and a positive approach are essential

Please reply in confidence giving concise career, salary and personal details to:

Michael Fahey Ref ER 136 Arthur Young Corporate Resourcing,

21 Conduit Street, London W1R 9TB

Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

# Lending Officer Saudi Arabia

Major financial institution Basic package US\$55-60,000 + substantial benefits

This established, professional organisation, based in the capital, Riyadh, specialises in providing long-term finance for industrial projects and plays a major role in the continuing development of the Kingdom's industrial

As a Lending Officer, you will be responsible for the evaluation of oew loan applications, recommending financing action to the Credit Committee, and the overall management of a diverse and often complex loan portfolio.

Candidates must be graduates or have equivalent

professional qualifications. They should have at least five years' experience in project finance, corporate or merchant banking, or a related financial background, ideally with a development agency or a merchant bank A basic package in the range of US\$55-60,000 will be offered, which includes a basic

salary in the range of US\$45-50,000 according to experience, plus guaranteed end-of-contract bonus and discretionary, performance-related

bonus. In additioo, a comprehensive, married-status benefits package is offered, which includes free housing, leased car, free medical services, generous leave (nearly two mooths per year) and leave travel provisions (three ockets per year), payment of all education costs at the excellent international school in Riyadh and/or overseas education allowances, student travel benefits and firstclass recreacional facilities.

This appointment, for an initial contract period of two years and renewable by mutual agreement, represents an excellent opportunity for both employment in a stimulating and demanding environment and substantial

> Interviews will be held in London in early/mid-January. Please send promptly a detailed corriculum vitae, indicating current compensation level, which will be forwarded direct to our client. Ref: R2299/FT.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SWIX 7LE. Tel: 01-235 6060 Fax: 01-235 0434 Telex: 27874

# **Financial** Controller



) <u>}</u>

### **International Accounts**

Lydiastar is a highly successful data/telecommunications company which is based in the City of London and owned by the international courier company DHL. Turnover £11m. The Company is seeking an international Financial Controller to organise the Finance Control function. This post is London-based, although some travel may occasionally be necessary.

The job objective: The main purpose would be to manage the Accounts Department. Evaluating existing control procedures and if appropriate devising a system for careful monitoring of the dayto-day and longer term situations. Reorganising the Department to gain more efficiency.

Knowledge of ECGD and foreign exchange control a necessity. Dealing in at least 20 different currencies. Reporting to the Finance Director.

You are probably in your early 30s. Free to travel occasionally. British passport.

ACA or FCA, possibly with a degree also. Must have worked in private professional practice and then moved into a senior accounting management role within a large organisation. At least five years commercial accounting practical 'hands-on' experience. Sound management track record

You should be used to top-level financial dealings and have the necessary expertise. International banking experience. Thorough working knowledge of computerised accounts. Familiar with PCs and accounting packages, including Lotus 123.

A leader with naturally strong management and financial skills. Human and communication skills. Flair for languages an added advantage.

The rewards: Salary package circa £30,000 plus car, and other fringe benefits.

Please write quoting reference 961 and enclosing a brief curriculum vitae, photograph and a telephone number on which you can be reached, to: J. J. Sellar, Numerate Personnel Ltd., 1a High Street, Epsom, Surrey, KT19 8DA. Telephone 03727-41163.

Equal Opportunity Сотрапу

City

c. £30,000

## **Financial Controller** c£33,000 + Car + Bonus

We are acting for a progressive private company now employing 30 people with metal trading activities worldwide and a turnover approaching £50m. They now require an energetic Financial Controller to take responsibility for all financial matters.

Reporting to the Chief Executive, you will be expected to contribute to the profitable growth of the business by providing relevant, timely financial and management information. To achieve this effectively, a thorough knowledge and involvement in the business as a whole will be excepted.

You will be a qualified accountant, aged 28-35 with the inter personal qualities to motivate staff and command the respect of the Board. Considerable opportunity exists to demonstrate commercial flair and enterprise in

The remuneration package will include a profit related bonus and other attractive benefits. Prospects exist for a Board appointment in due course. Interested applicants should write enclosing a comprehensive C.V. and daytime telephone number, quoting ref: 281 to Barry Ollier B.A., A.C.A., Whitehead Rice, 295 Regent Street, London WIR 8JH, Vol. 427 878.

this small but growing company and a willingness to contribute to all aspects of financial control is essential.

Whitehead Rice

FINANCE DIRECTOR

KINGS LANGLEY - HERTFORDSHIRE

FINANCIAL DIRECTOR DESIGNATE for this well established and expanding property development group. This vacancy arises on the retirement of the present encumbent in

The attractive remuneration package being offered reflects the importance and seniority of the position.

The Finlinson Group are highly successful in the commercial, industrial development field, and in recent years have achieved a considerable reputation through their

Beechwood Homes subsidiary for high standards of design

and product quality in residential development.

A steady growth in both turnover and profit terms has been

achieved by a keen, hardworking and ambitious Board of Directors who are planning a period of greater expansion.

The successful applicant will play an important role in carrying the Group through its next stage of development which will probably involve a public floatation.

Candidates must be qualified and for preference will have

ome past qualification experience in compresse, ideally to property development.

Applicants should write, giving full career details, to: The Chairman, The Finlinson Group,

Church Lane, Kings Langley, Hertfordshire WD4 8IP. Applications will be treated with the strictest confidence

MARKETING STRATEGY

Market-driven, innovative US \$1bn FMCG company

with strong corporate image seeks a young, recently qualified, commercially aware accountant to augment its small, high-profile financial planning team

Anticipating and reacting to Marketing end

Advertising Management needs, the role covers strategic planning, market analysis and profitability

reviews. Emphasis is placed upon interface, creativity

and the use of sophisticated PC financial modelling techniques. This career move provides an unrivalled

opportunity to gain commercial experience at the forefront of corporate strategy. Full relocation,

reporting to the Marketing Finance Manager.

W. Home Counties

THE FINLINSON GROUP

MANAGEMENT SELECTION

# GROUP ACCOUNTING

c.£25,000 + Car + Bens

Luton



**MANAGER** 

Lex Automotive, e principal subsidiary of Lex Service plc, is the leading retailer of passeoger cars and trucks in the UK. Cootinued aims are to increase market share and improve profitability, whilst maintaining an outstanding level of customer service.

Working for the Group Financial Controller of a major division of Lex Automotive, which sells mainly Ford and Vauxhall products, your initial brief will be the day to day running of a central finance function of 55 staff. However the main emphasis of the role will be the implementation and development of corporate systems and controls to achieve maximum efficiency and profitability for the Group.

The successful candidate will be a qualified Accountant, (aged 30-40), ideally with a service/ distribution background. Whilst technical competence and people management skills are prerequisites. maturity, self motivation and the ability to actively contribute to a chaoging environment are essential.

Please apply directly to Joan Coulter at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, Londoo WC2R OBR. Telephooe: 01-836 3545, eveoings 01-531 3005. Alternatively fax your details oo 01-836 4942.

Financial Recruitment Specialists Londoo · Birmingham · Wiodsor · Mancbester

# IN THE CITY

INVESTMENT AT A POINT OF CHANGE

INVESTMENT EXECUTIVES

The City Office of 3i looks after £600m of portfolio investments in 150 companies. Our activities include listed and unlisted equity investment and medium term lending in the UK, including 'mezzanine' transactions.

This involves setting up and monitoring loan and/or equity investment opportunities, including management buy-outs, in larger unquoted companies and listed PLC's. The job requires investment appraisal, negotiation and transaction management skills.

As an Investment Executive aged between 27-34, you are probably a Chartered Accountant. A commercial outlook is critical and experience in industry would be an asset, but is not essential for an outstanding candidate at the younger end of the age range. You will have the skills to establish mature, long-term relationships with people,

As an Investment Executive, you will receive an attractive package including the usual financial sector benefits. For more information, send your c.v. to Kathleen Rawle, 3i plc, 91 Waterloo Road, London SE1 8XP.

and appreciate the role of marketing.



within the computer field, with subsidiaries in proprietary software, computer based training systems, portable terminals and bar code related products. Our parent company is Australian with malti-national backing, and has emerged as a market

Responsible for all Group subsidiaries in Europe and USA, you will be expected to control the day to day accounting and edministrative functions of each company through their respective accounting personnel and to extract functial information from non-functial managers, produce regular accounts and reports, budgets, forecasts and, together with the Group Managing Director, consolidated business and reports.

The ideal candidate will have a minimum of 2-3 years experience after qualification, should have commercial and entrepreneutial fliair, oblity to deal with people at all levels and be a committed contributor in a highly professional beadquarters team. Commuter literary will be a committed contributor in a highly professional quarters team. Computer literacy will be a valuable esset

We expect to pay a solary in excess of £25,000 per anaum, provide a choice of prestige car, private health scheme and pension together with the usual holidays and benefits commensurate with this level of appaintment.

REWARDS

LOCATION

The above position will be at our prextigious new headquarters in Wokingham, to which we will be moving shortly.

Applications with CV. to: M1 Will Corry, Managing Director, Infolink Group International Limited, Farley Hall, London Road, Binfield, Bracknell, Berkshire RG12 5EU or telephone: 0344 863210

RECRUITMENT him at the address below. Chancery House 53/64 Chancery Lane London WC2A 1QS

For a confidential discussion please

61-242 1822 (24 hours) or write to

contact Jack Henderson on

PA TO PARTNER c £28,000 **CENTRAL LONDON** 

Our client, a small, but progressive firm of Chartered Accountants, seek an ambitious qualified (ACA preferebly) to assist the Senior Partner with the maintenance of an impressive client portfolio and the monitoring and supervision of an audit team. Personel and corporate taxation experience would be useful although not essentiel

in the first instance please send a detailed CV to: David Paten. Executive Search Division, Hyries Associates Ltd, Wells House, 77-79 Wells Street, London W1 Tel: 01-580 5522

Applications to R. J. Welsh. Réginald Welsh & Partners Ltd

123/4 Newgate Street, London, ECIA 7AA. Tel: 01.600.8387

Assistant

**Group Treasurer** 

Investment Group West End

Package c£25,000 + Car plus Benefits

Our client is a highly profitable quoted Investment Group with net assets approaching £1 bit. Internal promotion has created the need to recruit a young recently qualified

appointment offers challenge with responsibility and applications are invited from qualified accountants under 30 who can demonstrate both technical ability and

scheme. BLPA, Luncheon allowance and 23 days holiday.

accountant as Assistant Group Treasurer. The position will provide exposure to members of the board and other members of the management team. The role embrace production of detailed information on the Group's funding, close personal liaison with international Banks and Brokers, ad hoc exercises plus control of the electronic banking system. The

commercial sense. This is an excellent opportunity to join a close knit team renowned for its professionalism. Package embraces salary and bonus, benefits include non con pension

belilar Hay

24 Monument Street, London ECSR 8AJ. Telephone. 01-283 8811 , Telept 893119

# **FINANCIAL TIMES** COMPANIES & MARKETS

TRAVIS& ARNOLD Timber, Building Materials, Heating and Plumbing Equipment for the Construction and Allied

Thursday November 24 1988

### INSIDE

iper Cult of

ii) iii y IS the posts :

· Panting or the day.

e-g<sub>ereggi</sub>

: laine and  $V_{\rm c}^{\rm th}_{\rm th}$ 

- - - - 1

⊶ ⊃o <sub>Skeig</sub>

73 a

Onus

1.00

SON

arther

With PCS

### **Mack Trucks tries** to shape up



Renault, the French statecontrolled group has set Mack Trucks, the US truck maker in which it holds a 45 per cent stake, a simple hut demanding timetable: Improve profits by at least five-fold to \$100m in the next few years. Mack, expected to report net prof-its of about \$20m on sales

of around \$2bn thie year, may face a rough road ahead in the drive to boost Renault's return on its investment and convince the French group to exercise options that would give it 53 per cent ownership of the truck

#### Grain package begins to bite

European farmers will get 3 per cent less for their grain next year as the ac-called stabiliser package begins to bite. The European Commis sion has put the 1988/89 cereals harvest at 162.5m tonnes, enough to trigger automatic penalties under the reforms agreed this year to reduce the cost of the Common Agricultural Policy. The cut will also be a useful weapon for. EC negotiators at next month's trade talks in Montreal, writes Tim Dickson. Page 32.

#### Investment shot in the arm Societe Generale de



Belgique, Belgium'a largest holding company, has targeted two of its ailing manufacturing subsidiarles with a huge investment programme. Restructuring lans for Gechem and Fabrique Nationale de Herstal (the world - fa-

mous arms maker) were announced yesterday The move is the first eignificant clue to the much trumpeted new strategy of re-defining the SGB's sprawling empire of husinesses following the unsuccessful takeover attempt ear-lier this year by the Italian industrialist Mr Carlo De Benedetti. Page 24

### Bond tries to allay debt fears



Debt? what debt? Alan Bond (left), the Australlan entrepreneur, has released fresh details of his empire's finances to counter allegations that it is overburdened with debt. There are hopes that Bond Corporation's overall debt will fall. below A\$4bn (US\$3.45bn) early in the New Year after a pro-gramme of asset sales.

He also confirmed plans to buy an unspecified "major operating husiness" using the cash hoard in the Bell-stable of companies. Page 23

### **Market Statistics**

Base lending rates Benchmark Govt bonds European options exch FT int bond service

London traded options London tradit. options World stock mkt indices UK dividends announced

24 Lees (John J)

### Companies in this section

Amev	24 . MBB .
Avis Europe	30 Mack Trucks
BAT Industries	28 Magnet
BICC	30 Marston Thomps
Bank of Montreal	22 Media General
Beckett (TR)	30 Mid Southern Wi
Bishopsgate Invest	29 Mid-Sussex Wat
Blacks Leisure	26 Minorco
Bond Corporation	23 Modi Rubber
Bouyques '	25 Mountleigh
British Steel	· 28 NW Exploration
Broad Street Group	30 Nat-Nederlander
CSR	23 Nestlé
Cable and Wireless	25 Norton Opax
Calor Group .	29 PLM
Camporrio	24 Pittard
Consolidated Gold	29 Pieton Internatio
Courtaulds	25 Radio Clyde
Crown Industrial	29 Redfeam
Cundell	29 Redland
Demo Armadi	30 Reflex
DnC	25 Renault
EMAP	30 SASEA
Electrolux	24 Saga Petroleum
FAI	22 Sanderson Elect
FN Herstal	24 Santam Insurance
Ferry Pickering	29 Scholes (George
Gechem	24 Sears, Roebuck
German Smaller Co's	30 Siemens
Hogg Robinson	: 28 Strong & Fisher
Imry Merchant Dev	29 TR Property Trus
Interco	22 Tarmac
Jarvis Porter	30 Total-CFP
Komatsu	22 Warburg (S G)
La Génerale	24 West Kent Water
	* Wilton Group

# Chief price changes yesterday

	FRANKFUR	T (DSF)						
	Rises				RJB Habisco -	863	+	
	Allianz	1787	+	26	Rocer	41%	+	17
	BASE	260	+	3.5	Faile		•	
	Luthansa	146	+	2	Flexironic	44	_	12
	RWE	239.3		28	PARIS (FFr)			_
	Palle .		. •		Filses			_
	Karstadt	415	<del>-</del> -	2 .	Casino Pr.	128	+	🛊 :
	Kaufnot -	382	_	7	Moulinex	107.5	+	5.7
	Man	213	-	22		2570		
	NEW YORK			. —	Falls			
	Rises	•			Alsthoth	368.5		114
	General Motors	Ot L.	1	30	Serger	840		
	Interco	877	Ŧ.	7.2	Rediotechnique	637		
	int. S'cesting	115	Ι	. 1.	Tales Luzacec	1199		
	ML DUBBER	11-76	Τ.		1869 11700			٠.
	Takyo clased				-4 12 30			
	10030 Green		uu,	مضمما	EL 12300			
		. :		:				
	l					:		
i	LONDON (P	0000)						
	Rises	-	'		P&ODeld	582	+	12
	A.B. Ports	499		16	Simon Eng.	313	+	9
	Brixton Estate	.369 .	+		Severaign Oil ;	15012	_	S12
	Burton Grp.	191	+.					
	Cossit	197	+	9 :	Storenouse	213	+	13
	Cundel Brp. "	168 -	4.	27.	Trafaiga: House	324	+	9 .
1	Oserv Corn.	174%	÷	Sla .	Turrift Corp.	· 304	+	7

# **Irish Distillers** By Raymond Hughes GRAND Metropolitan's hopes of

Court judge.

Mr Justice Simon Brown refused GrandMet's plea for an

group's offer.
His decision means that Per-nod is free to declare its offer mconditional tomorrow. Grand-Met had hoped to get its judicial review application heard before that happened.

The judge said the case must

take its turn in the court's lists and be heard "whenever it can conveniently be accommodated,

The judge based his decision on the raling by Lord Donaldson, the Master of the Rolls, in the first case in which the panel was taken to court, that any inter-vention by the court should be "historical rather than contemporaneous" and that the court should not expedite cases, Mr Justice Simon Brown also

said that a "stay" of the panel's proceedings granted by Mr Jus-tice Brooke when he gave Grand-Met leave to seek judicial review

serious risk that the entire point of the exercise may disappear — and that would cause irremediable prejudice both to my clients and the shareholders."

Mr Sumption said that Mr Justice Brooke had intended that the grant of leave should stay the panel's decision, the effect of which was that undertakings

remained in force. coedings were in progress -

# **Pernod** set to win control of

stopping the offer by Pernod Ricard for Irish Distillers going unconditional appeared to have been dashed last night by a High

early hearing of its application for a judicial review of the Takeover Panel's decision not to require Pernod to release Irish Distillers shareholders from their commitment to the French

in the same way as any other judicial review challenge." However, GrandMet said last night it would not proceed

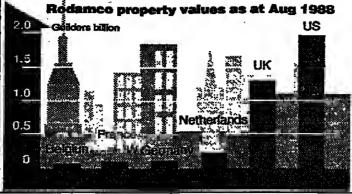
Mr Jonathan Sumption, QC, for GrandMet, had said that if the review did not come on before mid-December "there is a

Pernod had undertaken not to enforce - while the panel pro-

given by Pernod to the panel

received from some shareholders, nor declare its bid unconditional, Mr Sumption said.

Mr Sydney Kentridge, QC, for the panel, which opposed expedition of the review, intervened to say that Pernod had been released from its undertakings before Mr Justice Brooke's order.



# Hammerson property values as at Dec 1987 Australia

## Hammerson under the hammer

### Nikki Tait and Laura Raun look behind Rodamco's £1.3bn bid

HE sight of Dutch prop-erty men descending on British property compa-nies is becoming something of a

regular occurrence.

Two years ago, Rodamco – the largest property fund in the Netherlands and one of the four investment trusts belonging to the Robeco group - started the trend with a successful £252m (\$454m) tussle over Haslemere

This summer, the action switched to Wereldhave, the second biggest Dutch property company, which alighted on Peachey Property Group, owners of Lon-don's Carnaby Street, and finally won the day with a revised offer

Now, it is Rodamco'e turn again - this time tackling Hammerson Property Investment and Development Corporation, Britain's third largest property company, with a much larger 11.3bn cash offer.
Yesterday, however, Rodamco was anxious to stress the differ-

ence between its own attack and

Wereldhave's earlier move. Hammerson, it argues, has a very international spread of prop-erties, while Wereldhave's investment in Peachey was effectively a heavy commitment to the UK property market. The Hammerson portfolio, it also points ont, would take Rodamco into new areas like Australia and Canada

where it currently has no invest-

Moreover, although treading rather delicately yesterday, the Dutch claim to be less than enthused about the recent management of Hammerson's portfolio - not an issue which featured prominently in the Peachey bat-tle. "By active management," comments Rodamco, "we could do better."

All of which is given some but far from complete - cre-dence by City analysts. It is certainly true that Hammerson's portfolio is well-spread.

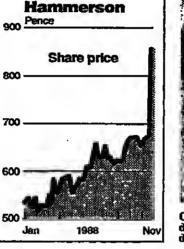
The holdings are concentrated

in office and retail developments, but these range from the Brent Cross shopping mall in dameo is rather different. but these range from the Brent Cross shopping mall in north-west London to offices in the heart of Paris and shopping centres in Western Australia.

accounted for 43 per cent of the portfolio, Canada for 25 per cent, Australia/New Zealand 14 per cent and the US and continental Europe each for 9 per cent

The management point will doubtless prove more controversial. Hammerson has been for years the fieldom of Mr Sydney Mason, who took up the reins when the former chairman, Mr Lewis Hammerson, died in the

late 1950s. Mr Mason, now 67, himself stepped down as joint managing director when Hammereon



announced its interim figures last month, but - resistant to speculation of his imminent retirement - remains as a full-time chairman. Certainly, there are some ana-

lysts who believe that matters have looked a trifle unadventu-rous of late, and Hammerson attracts some criticism for miss ing out on the recent surge in West End property values. Another management change

which hit bome was the fairly recent departure of Hammerson's respected finance director, Mr Nigel Ellis, to BAA, the priva-tised airports and property

Robeco was founded in 1929 by a clnb of Rotterdam "harbour barons" who sought a thrifty, At the end of 1987, the UK cautions and international

vehicle for their investments. In 1979, e specific property fund -Rodamco - was added to the equity and bond funds. Until two years ago, Rodamco, like other Dutch real-estate

funds, was known for its conservative management and rather That image changed with the dawn raid on Haslemere, usher-ing a new era of eggressive tac-

tics - and proving that Dutch companies can learn hostile takeover tactics despite their lack of



director of Rodamco, emphasises different line of attack

Rodamco is an open-ended fund whose share price reflects the net asset value of the underlying investment portfolio. With assets of Fl 4.8hn (\$2.5hn), Rodamco is invested mostly in first-class properties which are well sited, in good repair and fully let.

Since it has yielded an average return of 10.3 per cent since 1979, an investment of F1 1,000 eight years ago would amount to around Fl 2,500 today. If it manages to acquire Ham-

merson it would double in size and emerge as one of the top five property funds in the world.

Hammerson would enable Rodamco to spread its holdings around the world more evenly. leaving around 40 per cent of the combined portfolio in the UK. Investments in Canada are estimated by Dutch analysts to rise

to 13 per cent from virtually nothing, while holdings in Aus-tralasia would account for about 10 per cent of the portfolio.
Properties in the US would

drop hy ebout half to around 25 per cent from 43 per cent now. By property type, the portfolio would remain relatively unchanged.

At present, about 46 of it is in offices, 32 per cent in shops and shopping centres and the remain.

ing 22 per cent in industrial properties, property funds and reno-vation projects.

Financing does not present any obstacles. Rodamco is flush with cash, estimated at about Fl 2.6bn, cash, estimated at about 17 250th, as a result of disposals from Haslemere and completion of several development projects.

A healthy debt-to-equity ratio would allow Rodamco to borrow short term to finance the remainment

ing Fl 1bn needed to buy Hammerson and then later pay off the debt with share sales. So what of the terms them

selves? Yesterday, analysts had little doubt that the current offer is a carefully pitched sighting shot and that - like Wereldhave Rodamco will await a full up-to-date valuation from the UK

group before playing its final card, probably pitching just below that level. Hammerson has external valuations done on different geo-graphical parts of its portfolio on a rolling five-year basis - last

year, it was France and the US, for example, and this year it was due to be the UK.

At end-1987, the net asset value figure was 650p a share, but what analysts are puzzling is whether the valuation system means that hidden crocks of gold exist.

Certainly, there is some divergence in predictions of what an updated figure might be - anything from 900p to over £10 was being mooted yesterday.

The other question, of course,

is whether a third party will be enticed in.

Again, there were plenty of names being mentioned yester-

day - anything from Hongkong Land to MEPC or even BAA although it should be said that certain analysts remain highly sceptical about the feasibility of some of the suggestions.

## **Electrolux** profits jump 27% in third quarter

DESPITE sethacks in the US market, Electrolux of Sweden, the world's leading white goods mannfactnrer, yesterday reported a record increase in third-quarter profits and said it expected the pace of improvement to continue into next year.

Pre-tax profit for the three

months to September 30, 1988 jnmped 27 pcr cent from SKr604m to SKr765m (\$127m). belped hy strong demand in Europe and increased volumes. Profits at the ontdoor prod-

ucts, commercial appliances and industrial products divisions increased, Electrolux said. Group sales rose by 10 per cent to SKr18.02bn in the third quar-

Mr Anders Scharp, chief executive, said he expected full-year profits to increase by about 20 per cent over the 1987 figure of SKr3.06hn, hut warned that "unseen factors" in the final quarter could still hit the 1988

Profits after financial items in the first nine months of the year increased by 22 per cent, to SKr2.57bn from SKr2.11hn in the comparable period last year, while sales rose hy 9 per cent

The group attributes its strong profit increase this year to its restructuring of the white goods sector, particularly in Europe. However, profits have barely increased since last year in the

US market, where demand for many of the group's product areas declined. "The US has not been good, but the worst is now over," said Mr Scharp. As a result of problems in the US market - including strikes at a vacuum cleaner factory and

problems in an air-conditioning plant — Electrolux said the prof-itability of its household appli-ances division was unchanged. Total sales of bousehold appli-ances increased by 4 per cent to SKr30.62bn in the nine months.

Sales of commercial appliances increased by 21 per cent to SKr4.717bn in the nine months, improvement in profits, Mr Scharp said.
The outdoor products division.

which recently agreed to acquire the garden equipment operations of Roper from General Electric of the US for \$295m, increased sales by 11 per cent to SKr3.73hn in the nine months. Electrolux has given priority to boosting its outdoor products side in view of the limited possi-

bilities for expansion in white

# Nestlé forecasts profits of SFr2bn

group which has just rocked the Swiss stock market by opening its registered shares to foreign ownership, yesterday forecast a consolidated net profit of SFr19bn-2bn (\$1.31bn-1.38bn) for 1988. Net earnings last year amounted to SFr1.82bn.

Turnover, swollen by the consolidation from July 1 of two new acquisitions, Rowntree and Bultoni, would rise from SFr35.2bn last year to more than SFr40bn, Mr Helmut Maucher, managing director, said.
At the 10-month stage sales were up 3.8 per cent to SFr30.5bn, excluding Rowntree and Buttoni,

and by 10.3 per cent to SFr32.3bn with their inclusion from July 1. Phrasing his remarks carefully, Mr Maucher said that in principle a change in dividend policy could be envisaged, providing for the payont to shareholders of a higher portion of earnings.

The change in sbare control would leave Nestle less dependent on self-financing and with

greater access to international capital markets. But, Mr Maucher added, the board still had to discuss dividend policy.

Mr Reto Domeniconi, finance director, evoked the "possibility" of a one-for-10 rights issue being offered to shareholders next spring, once the share price had stabilised after the furore caused

by last week's decision on the registered shares. Liquid assets of SFr5.7bn at the end of October equalled 53 per cent of the short-term debt. This ratio was likely to fall to around 40 per cent by the end of the year, Mr Domeniconi said. Mr Maucher said that Nestlé could expect to record a sales

son to think that net earnings will not move in the same propor-

After spending \$8.7bn on acquisitions this year, Nestlé was now in a phase of consolidation, with the emphasis on internal growth. That would not stop the group from seizing takeover opportuni-ties, should they arise. Nestlé could be interested in

hesite could be interested in bnying certain parts of RJR Nabisco, should the US group be sold in pleces, but the Swiss com-pany had not joined the consor-tium formed by First Boston to bid for Nabisco, Mr Maucher

The Nestlé management had not accurately foreseen stock exchange reaction to its share register move. Mr Maucher was surprised when holders of regis-tered shares started selling at a price of SFr6,000 a share, instead of waiting for it to go higher.

# cent next year. He had "no rea-

increase of between 10 and 15 per

BASF rises 23% at nine months By Andrew Fisher in Ludwigshafen

BASF yesterday provided further evidence of the buoyant state of the West German chemical industry by reporting sharply higher profits for the first nine months of 1988.

growth in plastics, chemicals, dyes and finishing products, BASF increased group pre-tax profits by 23 per cent, to DM2.6bn (\$1.5bn). Turnover was 8 per cent higher, at DM32.5bn. Also contributing to the results were stable

Propelled along by strong

raw material costs and slight rises in selling prices. The surge in BASF's profits is in line with the upbest results just reported by its two big German rivals in the chemical indus-

nine months. This compares with an 8 per cent increase in domestic sales to DM5.4bn. Pre-tax prof-

try, Hoechst and Bayer. Mr Hans Albers, chairman of BASF, said that order inflow and Expansion was even more pro-

nal a continuation of the favourable business trend.
Mr Albers commented: "However, given the high level already

achieved, growth will not increase as speedily as during the last nine months." Growth had been particularly dynamic in foreign markets, he said. The parent company raised non-German turnover by 14 per cent, to DM10.1bn, in the first

its at the parent company jumped by 49 per cent to DM1.9bn. In Europe, Mr Albers said the star performer was the Spanish operation, which has seen business growth of more than 20 per cent so far this year.

trial and speciality chemicals, plastics and fibre intermediates were doing especially. In North America, BASF Corporation experienced turnover growth of 14 per cent on a dollar basis. US sales, which totalled \$4.3bn in 1987, would be around

\$5bn this year. In South America, BASF was doing well in Spanish-speaking countries, but suffering in Brazil from the effects of hyperinflation. Although growth in plastics was only limited by capacity constraints, and conditions had improved in the agrochemicals sector, BASF is still suffering

The group expects a much higher loss in oil and gas activi-ties for 1988, including the nounced in Japan and the rest of DM100m cost of closing its Mannheim refinery in West Germany.

acute problems in the oil and gas

£100 million available to invest in growing companies



lan Hislon or Richard Wevill, Joint Managing Directors

B&C Ventures, King's House, 36-37 King Street, London ECZV 88E. Tel: 01-726 4878 Part of the British & Commonwealth Holdings PLC group

### INTERNATIONAL COMPANIES AND FINANCE

# **US** insurers seek exemption from rate cut-backs

By Anatole Kaletsky in New York

MANY OF California's leading insuraoce companies have applied for exemptions from the newly-passed Proposition 103 car insurance law on the grouods that the rate cuts mandated by the proposition would force them out of busi-

The proposition, passed by a small margin in a referendum which colocided with this mooth's presidential and con-gressicoal elections, requires car insurers in California to refund up to 20 per ceot of the premiums they collected on policies issued in 1987. It also imposed tight regula-

tion oo future increases.

However, the propositioo did provide exemptions for insurance companies if they could demonstrate that the rate cuts would force them out of business in the state.

The compaoies seeking exemptions on these grounds include five of the state's 10

Amoog them are Farmers Insurance, the large Los Angeles-based group recently scquired by BAT Industries.
Mercury General, a company
which has already predicted
publicly that it would become

By Our Financial Staff

BANK OF Mootreal, the third

largest Canadian bank, has

staged a strong recovery.

Fourth-quarter net profits were C\$215m (US\$178m), or C\$1.94 a

share, compared with C\$108m or C\$1.12 for the same 1987 period which included a C\$12m

provisioo for losses oo trans-

border claims. Net profits for the whole of fiscal 1988 totalled C\$553m or

C\$4.89 a share. Operating net earnings for 1987 were C\$549.8m or C\$5.62, but a provi-

sion of C\$765m for losses on transborder claims into account left the bank with a

net loss of C\$215m or C\$2.89.

The bank said 1987 figures were reststed to reflect a

**Bank of Montreal posts** 

sharp recovery in income

### FAI signs production deal with Komatsu

By Nick Garnett

KOMATSU, the Japanese construction equipment maker, is to have its mini-exinsolvent in 15 months if Proposition 103 were applied, and 20th Century Industries, another large car insurer which derives the bulk of its reveoues from policies issued cavators for the European market built in Europe in a deal with FAI of Italy. The Italian earthmoving

machinery company will man-nfacture under licence Komatsu mini-excavators, to in California. in California.

The spplication for exemptions, which were announced by the California Department of Insurance, provide the clearest indication to date of the turmoil which could ensue in the industry if Proposition 103 nfacture ba sold under both the Komatsu and FAI names using the two company's separate distribution networks.
The mini-excavator is the

come of the lawsuits.

However, yesterday's applications for axemption indicate

thet insurers might be preparing themselves for the possibil-

ity of a court defeat.

Meanwhile, the state's insurance commissioner is reported

to be planning a 60 per cent incresse in the insurance department's staffing in order to enforce the oew law. The

propositioo allows the insur-ance department to charge insurers for the added costs of enforcement.

change in accounting for loan-

loss provisions. The provision

under the new accounting

which includes C\$238m for cer-

tain countries designated by the Superinteodeot of Finan-

cial Institutions. The remain-

ing C\$152m compares with

C\$75m a year earlier. Non-accrual loans fell 19 per

cent to C\$1.14bo during 1988. Recovery of the principal amount of loans outstanding to

Dome Petroleum cut net non-

accrual loans by C\$700m. But this was offset by an increase

of C\$300m resulting from

reclassification of two accounts in the energy sector as non-ac-

rules was C\$390m in fiscal 1988

were enforced in full.

The insurance industry has challeoged in the California Supreme Court the proposition, which they said was unconstitutional, and its enforcement is being delayed pending the outsubject of an EC dumping investigation, the findings of which are expected before the

end of the year.

Komatsu said the daal, announced yesterday, had nothing to do with the investigation, although many in the industry believe it has.

The Japanese company had a 9 per cent share of the Euro-

pean mini-excavator market last year, according to the Corporate Intelligence Gronp. a UK-based market research Company.
Under the deal with FAI,

first-year production is expec-ted to be 1.000 units, rising to 2,500 units a year within three

years.

Komatsu has signed several collaboration deals with European manufacturing companies. These inclode the importation into Japan of FAI-made backhoe loaders and the use of the Brown Group in the UK to make Komatsu-badged articu-lated dump trucks.

### Intel and AEG in joint venture

INTEL of the US and AEG of West Germany are to set up a joint venture to develop and manufacture electronic components for the antomotive, machine-building and aviation industries, AP-DJ reports.

The venture will produce special, highly integrated switches for micro-electronic products manufactured by AEG. The agreement will mean AEG expanding its activities in micro-electronics, as planned under the reconstruc-tion of the Daimler-Benz

# Mack under orders to overhaul profits

Paul Betts on a tough timetable for higher earnings set by an impatient shareholder

ENAULT Vehicules Industriels, the commercial vehicle subsidiary of the nationalised French car group, has set Mack Trucks, the US heavy duty truck manufacturer in which it holds a 45 per cent stake, a timetable to improve sharply its financial performance.

Mr Philippe Gras, RVI's chairman, wants to see Mack increase its amual net profits at least fivefold to about \$100m at least fivefold to about \$100m

at least fivefold to about \$100m s year in the next few years. Mack, he says, is expected to report net profits of about \$20m on sales of some \$20m this year.

Although this would be an improvement an least reads improvement on last year's profits of \$4.1m on sales of \$1.85bn, Mr Gras says Mack's profitability still falls considerably short of RVI's expectations

"A few years ago we were satisfied with Mack because it earned money at a time when RVI was losing a huge amount. "Now we are earning much more mooey in France and Mack is still earning only s little in the US," explains Mr Gras, who bas engineered a remarkabla turnround in the financial fortunes of the French truck maker.

He has already revised upwards his profit forecasts for RVI this year, to more than FFr1bo (\$170m), compared with FFr198m last year. The improvement follows a string of heavy losses totalling more main preoccupation. "Mack is a very big investment for us. We own 45 per cent of a company with a book value of between \$600m and \$700m and we have options to



than FFr5bn between 1984 and

RVI's group sales, including Mack, are expected to total between FFr32bn and FFr33bn this year, compared with
FFr29bn last year. The group's
Enropean sales alone are
expected to increase from
FFr18.2bn last year to between
FFr20bn and FFr21bn.
Prospects for the first half of

next year remain buoyant hecause of continuing strong demand in the European truck market, but Mr Gras says he expects the market to decline eventually. However, be articipates a "soft landing" rather than a crash. Increasing Mack's profitabil-

ity has become the group's

increase our stake to 53 per cent. We would now like to see

cent. We would now like to see this investment produce a good return," Mr Gras says.

He acknowledges that the US company has made considerable progress but he wants Mack to accelerate the recovery in its profitability. A new truck assembly plant has been built at Winnsboro, South Carolina, where productivity is on target. But the RVI chief target. But the RVI chief stressas that Mack could improve productivity in other plants and in its purchasing policies and systems.

Moreover, he would like to see Mack increase its share of the US Class 8 heavy duty diesel truck market from about 15 per cent to between 16 and 17 per cent.

The renewal of Mack's entire range over the next two years is expected to help it increase its domestic market penetra-tion. The first of these new

models is due to be launched

early next year.

The decline in tha US dollar has also made RVI's French medium-range Midliner truck exports to Mack less attractive. RVI supplies Mack with about 6,000 of these trucks a year from Europe. Although the lower dollar has squeezed margins on these sales, Mr Gras says they are not losing money oo the Midliner exports, which account for about 15 per cent of RVTs annual French truck output.

The group is also strengthen-ing links between the Ameri-can and French truck operations. Mack and RVI now use the same commercial net-work in several international markets, such as Australia and

Central America.

In addition, RVI is expected to become an increasingly significant supplier of engine components to Mack, while the

US company will be supplying a 500 bp engine for the European market during the next 18

months.

months.
Eventually, the two partners could develop jointly a new engine, Mr Gras suggests.
RVI has completed the bulk of its restructuring in France and Europe. "The grand manoeuvres are now over in France. It's a question of fine tuning to continue improving our productivity."

our productivity."

The company is planning to reorganise its hus and coach division and rationalise its fire engine operations. It also intends to integrate more already its Spenish Present and closely its Spanish, French and UK operations with its overall European industrial activities. At the same time, RVI is

seeking to penetrate new overseas export markets to com-pensate for the decline in its traditional French speaking African markets. It is making a big push in the Far East, hig push in the Far East, where it is negotiating new truck contracts in Hong Kong and Malaysia, and is making inroads in Latin America, To crown his group's successful recovery efforts, Mr Gras is still maintaining his traces of introducing the Rep.

target of introducing the Ren-ault truck subsidiary on the bourse in two or three years

"It is not easy for a company which only makes trucks to be floated. We need a few years of good profits before we can think of a listing on the stock

### Interco placates Wall St with improved payout

By Roderick Oram in New York

INTERCO, the largest US maker of shoes and furniture, has improved its payout to shareholders under its recapi-

talisation plan.

The move is designed to satisfy Wall Street, which thought the original terms were worth less than the company's advis-

The improvement will also help placate the Rales brothers, a pair of Washington investors who dropped their \$74 a share, \$2.7bn takeover offer last week. They remain significant shareholders. The company said the over-all value of the package of securities and cash was

unchanged at \$76 a share, but it had increased the component parts. Interco's stock price rose \$2% to \$67% in early trading. The recapitalisation was the company's successful defence against the Rales' bid. They gave up the battle because of fears that the protracted fight would make Interco less valu-

Under the new terms, Interco shareholders will receive for each common share securities worth an estimated \$32.15, up from \$28, and cash of \$38.60, against \$38.15. It will also pay 28 cents accrued interest on senior subordinated debentures.

### Allstate agrees brokerage operations' sale By Our Financial Staff

ALLSTATE Insurance, a unit of Sears, Roebnck, the largest retailer in the US, has agreed to sell part of its group health and Hie insurance operations to Metropolitan Life Insur-ance, the second biggest life insurance group in the US. The terms of the Metropoli-

an deal were not disclose Metropolitan Life is to buy
Metropolitan Life is to buy
Allstate's group brokarage
operations, which in 1987 had
revenues of \$416m. The
Allstate group has been hit by
deteriorating underwriting Saars has recently announced a big restructuring.

## Media General sees big write-off after unit sale

By Roderick Oram in New York

MEDIA GENERAL, the US newspaper and television sta-tion group which thwarted s corporate raider earlier this year, is to take a fourth-quar-ter charge of between \$35m and \$40m due to the spin-off of

a subsidiary.

The write-off could leave the group close to break-even for the year. It earned \$11.4m or 40 cents a share on revenues of \$183.8m in last year's fourth quarter.

The company is selling its broadcast services operation, acquired in 1982, to its managers for an undisclosed sum. It is mainly a media buyer for advertisers but it also has a structure.

music production business and a travel operation. Revenues will exceed \$60m this year but it will remain unprofitable. The new owners hope cost cutting and tighter manage-ment control will help to make the concern profitable next

Meanwhile, Mr Burt Sugar man, the Hollywood film producer and industrialist, has said he might renew his efforts to win seats on Media Gener-

al's board. His efforts to take over the company were blocked earlier this year when courts unheld Media General's two-tier voting

# WORLDINVEST INCOME FUND

### NOTICE OF A POSTAL BALLOT OF HOLDERS OF SHARES IN WORLDINVEST INCOME FUND

Notice is hereby given to the Holders of shares in the WorldInvest Income Fund ("the Fund") that, in accordance with the provisions of the Trust Deed dated 31 December 1976, as amended by Supplemental Trust Deeds dated 1 April 1980, 1 May 1982, 27 October 1986, and 28 October 1986, Bank of America NT&SA Jersey Branch, the Trustee of the Fund has been requested by the BankAmerica Trust Company (Jersey) Limited, the Manager of the Fund to hold a postal ballot of Holders to obtain their approval to resolutions to

(i) affect modifications of the Trust Deed in accordance with Clause 42 of the said Deed; and

(ii) authorise the Trustee and the Manager to apply to the Hong Kong Securities Commission with a view to the Fund ceasing to be an authorised Fund under section 15(I)(e) of the Securities Ordinance (Chapter 333 of the law of Hong Kong), and to sanction and approve each and every modification or variadoo of their rights and/or the Trust Deed which is, or may be, involved in or occasioned by the withdrawal of such authorisation.

The proposed resolutions are as follows:-RESOLUTIONS

1. That the Trust Deed dated 31 December 1976 as amended by Supplemental Trust Deeds dated 1 April 1980, 1 May 1982, 27 October 1986, and 28 October 1986 (the Trust Deed together with the Supplemental Deeds hereinafter being referred to as the "Principal Deed") be amended by the delector in clause 27(2) of the words a charge equal to one fifty-second of four tenths of one per cent" and the substitution thereof of the words a charge equal to one fifty-second of nine tenths of one per cent", and that such amendment be effective on and from midnight on 31 December 1988.

2. That Bank of America NT&SA ("the Trustees") and BankAmerica Trust Company (Jersey) Limited ("the Manager") be and are hereby authorised and requested to apply to the Hong Koog Securioes Commission so that the WorldInvest Income Fund should cease to be an authorised Fund under the terms of section 15(I)(c) of the Securities Ordinance (Chapter 333 of the laws of Hong Kong) and every modification, abrogation and compromise of or arrangement in respect of the rights of the Holders of shares of WorldInvest Income Fund and every modification or abrogation of the terms subject to which such shares are held and the provisions of the Principal Deed involved in or inherent in implementation of such withdrawal of authorisation be and is hereby sanctioned; and the Trustee and Manager be and are hereby authorised and requested to concur in and execute and do all such Deeds, Instruments, acts and things as may be considered by them to be requisite to give effect to the withdrawal of authorisation and this Resolution.

To be eligible to vote, Holders must present their certificate(s) at the offices of the Trustee or the Paying Agents set out below no later than 10.00 hrs (local time) on Monday 5th December, 1988, together with a written statement of their names and

Certificates must remain deposited until after the despatch of voting papers. Voting papers will be despatched by the Trustee by airmail to eligible Holders (3 days after deposit date), Thursday 8th December, 1988. The closing date for receipt of voting papers by the scrutineer to be appointed by the Trustee will be 17.00 hrs GMT oo Friday 30th December, 1988

The Trustee: Address:

Bank of America NT&SA, Jersey, 11 The Esplanade,

The Paying Agents:

St. Helier, Jersey, Channel Islands. BankAmerica Trust Company Limited,

P.O. Box 120, Union House,

Union Street, St. Helier, Jersey, Channel Islands. Bank of America NT&SA Hong Kong,

P.O. Box 311, 19th Floor, 12 Harcourt Road, Hong Kong.

BankAmerica Trust and Banking Corporation (Bahamas) Limited, East Bay Street, P.O. Box N-9100,

Nassau, Bahamas. Bank of America International S.A., P.O. Box 435, L-2014 Luxembourg,

Grand Duchy of Luxembourg.

The resolutions of Shareholders require a majority of two-thirds of the votes cast in the ballot. If duly passed the resolutions will be binding on all Holders whether or not they cast their votes in respect of such resolutions

Copies of a letter to Shareholders explaining the proposals and setting out the background to the resolutions may be collected from the offices of the Trustee and Paying Agents. The Trust Deed may also be inspected at any of the above listed offices.

Signed, The Trustee, Bank of America NT&SA, Jersey.

24th November, 1988

This announcement appears as a matter of record only.

### **Norcen Energy Resources Limited**

U.S. \$125,000,000

Transferable Term Loan Facility

S. G. Warburg & Co. Ltd.

Senior Lead Manager

Westpac Banking Corporation

Lead Managers

The Royal Bank of Canada Amsterdam-Rotterdam Bank N.V.

Canadian Imperial Bank of Commerce

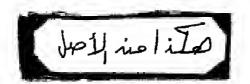
The second secon

Banque Nationale de Paris Union Bank of Switzerland (Canada)

Kredietbank N.V. Westdeutsche Landesbank Girozentrale

**Participant** Banque Leu (Luxembourg) S.A.

The Royal Bank of Canada



### INTERNATIONAL COMPANIES AND FINANCE

# Bond provides revised debt figures

By Chris Sherwell in Sydney

MR ALAN BOND, the Australian entrepreneur involved in a controversial conporate play for the Lonrho group in the UK, has released fresh details of his empire's finances in order to counter allegations that it is overbur-dened with debt.

Mr Bond also confirmed

plans to buy an unspecified "major operating business," using the cash hoard in the Bell companies, acquired earlier this year, after Mr Robert Holmes a Court, another Perth financier sold aut

financier, sold out.

The revelations came in a special briefing to journalists yesterday. Confirming details, a spokesman for Mr Bond said Bond Corporation's overall debt would fall below A\$4bn (US\$3.43bn) early in the new year as a result of asset sales made or projected.

This is in sharp contrast to the A\$7bn figure announced at the group's sanual general meeting only one menth ago. Including the debts of the recently acquired Bell Group, the overall figure then was even higher, at A\$550n.

The precise debt level is

important because Mr Bond, the biggest of Australia'a swashbuckling entrepreneurs, is widely believed to be imder financial pressure, following diverse purchases over recent

months. His interests cover bearing, media, property and, separately, minerals, and embrace the US, Britain, Hong Kong and Chile, as well as Australia.

Australia.

Recause few days go by without some acquisition, disposal or investment move, speculation is rife about his plans. In the UK currently, he is said to be preparing to bld for Mr Roland "Tiny" Rowland'e Lonrho and for Allied Lyons, the browling and liquor group.

brewing and liquor group.

According to details given at the briefing, Bond Corporation's debts at present stand at just over A\$5bn; excluding A\$700m of Bond Corporation convertible notes. Cash resources amount to

Cash resources amount to some A\$475m, asset sales made or projected will realise A\$2.15n and acquisitions made or projected will cost A\$1.5n. Netted out, this will bring debt down to A\$3.95n, by January or February.

Bell Group, now under direct Bond Corporation control, was said to be virtually debt-free

said to be virtually debt-free. Liabilities amounted to some A\$1.43bn (but excluded Bell Group convertible notes), and these were offset by A\$1.50n in proceeds from completed or projected asset sales.
These sales include, in Britain, Bell Gronp Interna-tional's property assets and



Alan Bond: intends to buy "major operating business"

major stakes in Standard Char-tered Bank and Dewey Warren, and, in Australia, the operations of Bell Brothers and the Caterpillar distribution businesses of Wigmores and Waugh and Josephson.

Separately, Bell Resources, the cash-rich Bell Group off-shoot, was said to be in the process of selling Weeks Petro-leum, which receives a royalty on Bass Strait oil, and its 10 per cent interest in a coal joint venture in Queensland.

By March, according to Mr Bond, Bell Resources will have cash resources amounting to A\$1.8bn. It also has some A\$700m in tax losses, and Mr Bond wants to use these

### of dispute over Modi resources to purchase a "major operating business." But ha gave no details. Asked why the new debt figures were markedly different from those announced at the support of group nears

Settlement

By David Housego in New Delhi

SIGNS EMERGED yesterday of a settlement of the dispute within the Modi family, which controls one of the largest industrial groups in India, when Mr K.N. Modi resumed

when Mr K.N. Modi resumed his seat as chairman of Modi Rubber at a board meeting. The dispute has pitted the two wings of the Modi family in a tussle over management and shareholdings within the group, whose interests spread across tyres, textiles, office automation and chemicals. automation and chemicals.

Steps towards a compromise follow intervention by govern-ment-controlled financial institutions, which have increased their stake in the group dur-

ing the quarrel.

Mr K.N. Modi has resumed the post of chairman at Modi Rubber – the pivotal company in the dispute because of its holdings in other Modi subsidiaries – as port of a settle. izries - as part of a settle-ment that cedes management control of the company to Mr B.K Modi and his brother V.K.

The battle over Modi Rubber erupted into the open, and subsequently the law courts, after Mr B.K. Modi sought to oust his uncle Mr K.N Modi from the chairmanship.

This followed moves by Mr K.N. Modi to trensform what

K.N. Modi to transform what had been an honorary chairmanship into an exeentive position, as part of the wider dispute for control of the

In attempting to replace Mr K.N. Modi, Mr B.K. Modi and his two brothers ran foul of the financial institutions. which declined to accept a change in the chairmanship without their prior approval.

After the conflict had been carried into the courts, the financial institutions forced

Mr B.K. Modi to yield on this

ue by obtaining the removal of six directors who had sup-At the same time, the institutions have confirmed that management control of Modi Rubber will lie with the B.K. Modi faction. Mr K.N. Modi will hold the chairmanship until a final settlement is reached and subject to the con-tinuing approval of the finan-

raised their stake in Modi Rubber from 42 per cent to 51 A final settlement will involve a break-up of the Modi group and complicated trans-ters of shares and voting

cial institutions. These have

rights.

The broad basis of division so far agreed is that the two wings of the family will contime to manage the compa-nies for which they are cur-rently responsible. However, to remove ambiguity in future, management control will be linked to shareholdings and

voting rights.
Under this arrangement, Mr B.K. Modi will retain control of Modi Xerox and Modi Olivetti while Mr. K.N. Modi and his sons will gain Modi Alkalis and Modi Champion.
Still to be divided between

the two sides are three compa-nies — Modi Industries, Modi Spinning and Modipon - whose assets include both industrial plants and holdings in other Modi subsidiaries.

The uncertainty created by the dispute has made it more difficult for the Modi group to raise fresh funds or impl new projects.

Modi Rubber has now cleared the final hurdles towards implementing its planned \$100m radial tyre plant.

# CSR turns in record half-year profits and announces joint venture with Redland

By Chris Sherwell

CSR, the Australian building building materials. Directors products and sugar processing declared a 14 Australian cents group which is seeking a London listing from next month, yesterday reported record halfyear profits and amounced a A\$280m (US\$240m) joint pur-chase of a leading local brick-maker with Redland of the UK. Figures for the six months to September showed after tax profits of A\$147m, up 85 per cent compared with the same period last year, on the back of a 30 per cent rise in revenues to A\$1.74bn.

The strong improvement was the result of a booming domes-tic housing and construction market and strong sugar and aluminium prices, but was also helped by the Government's eduction in corporation tax to

benefits of the group's rede overseas; ployment of assets away from He described the acquisition minerals and in favour of as the "mirror image" of the

Annual General Meeting held in

Year ended 30th June

Profit before taxation

Taxation

Minority Interest

Profit for year

Extraordinary Item

Earnings per share

Net assets persham

Net dividends per share

the formation of the Company."

**ESTATES PLC** 

Manchester M17 1AU

Authorised £2,283,000

65 Holbero Viaduct.

London EC1A 2EU.

Estate Office.

**Extract from the Chairman's Report** 

"I am confident that the era we are entering

TRAFFORD PARK

Trafford Park Road, Trafford Park,

will prove to be one of the most exciting since

Manchester on 23rd November 1988.

Extracts from the Chairman's Report and the Accounts presented at the 92nd

The joint purchase with Redland was of the business of PGH Bricks and Pipes and the issued capital of Zacuba. The Australian subsidiary of Britain's BTR group was sold

by BTR Nylex.
The operation will be com-bined with the Monier/Redland roof tile business in Australia and New Zealand to form a separate unit, owned 51 per cent by CSR and 49 per cent by

Redland. Mr. Burgess said the purchase meant "the last of the biggish building materials companies in Australia" had been absorbed. He said it Mr Ian Burgess, managing like CSR and Boral to continue director, said it reflected the benefits of the ground.

1987 E000

2,887

(946)

111

2,048

5.80p

97.86p

This advertisement is issued in compliance with the regulations of the Council of The International Stock Exchange of the United Kingdom and Republic of Ireland Limited ("The Stock Exchange") and assumes that all the resolutions to be proposed at the Extraordinary General Meeting convened for 12.00 noon on 25th November, 1988, are passed. It does not constitute an invitation to any person to subscribe for or purchase any

**HIGHGATE & JOB** 

**GROUP PLC** 

Introduction to the Official List

of 3,424,500 ordinary shares of 50p each

in ordinary shares of 50p each

Application has been made to The Comicil of The Stock Exchange for the entire issued share capital of Highgate & Job Group PLC to be admitted to the Official List. It is expected that dealings in the entire issued share capital of the Company will commence oo 29th November,

Highgare & Job Group PLC is engaged in the blending and sales of intermediate chemical and oil products and in contracting for electrical and mechanical installations in the construction

Listing particulars relating to the Company are available in the Extel Statistical Service. Copies of the Listing Particulars can be obtained during normal business hours from Company Announcements Office, The Stock Exchange, 46/50 Finsbury Square, London EC2A 1DD, until 26th November, 1988 and from the following offices until 1th December, 1988.

SHARE CAPITAL

McCaughan Dyson Capel Cure (UK) Limited,

Member ANZ Group

Member of The Securities Association

24th November, 1988

A TOTAL TO A STATE OF THE SECRETARY AND REPORT FOR THE SECRETARY ASSESSMENT OF THE SEC

(4)

3,214

(1,020)

2,210

6.61p

4.70p

119.08p

16

CSR/Redland joint plaster-board venture now under way in the UK and Europe, in which Redland has 51 per cent and CSR provides the technology. The new brick and tile joint venture would likewise have access to Redland tech-

A breakdown of yesterday's figures showed the major con-tributors to profit were build-ing and construction materials and sugar.

The sectors which improved the most were timber products, where profits increased fourfold, and aluminium, which saw earnings more than dou-

Mr Burgess described the financial position of the group as "extremely strong," declar-ing that it was capable of spending another A\$1.5bn, while maintaining a conserva-tive gearing ratio. However, he acknowledged that the recent pace of change

would not continue, saying he wanted to "settle things down." On claims against the company by sufferers from asbestos-related diseases, CSR announced a A\$50m provision as an extraordinary item to meet possible liabilities.

annual meeting, Mr Bond's spokesman explained yesterday that those figures were offered prior to unquantified asset sales and did not take account of each resources.

In other revelations at the

briefing, Mr Bond disclosed that Bond Corporation's brew-ing assets had increased in

vaine since they were acquired, and were now worth double the A\$900m at which they were in the books.

A recent valuation of Bond

Media'e assets, he added, put the value of Bond Media's tele-

vision stations in Sydney, Mel-bourne and Brisbane and its

Sky Channel satellite service to pubs and hotels at around

low share price was not justi-fied by the group's asset value. Mr Bond confirmed that this low price, which reflects a gen-

eral lack of institutional sup-port, was mainly responsible for the decision not to go ahead

with his original restructuring

plan involving a merger of Bell and Bond Corporation inter-

The implication was that Bond Corporation'a current

The group is currently involved in a legal dispute with its insurers, the Western Australian State Government Insurance Commission, and Mr Burgess said the provision, which was "conservative," was made "just in case." As for the shift away from

resources; this will raise some A\$650m this year, through the divestment of coal, petroleum, minerals and exploration busi-Looking ahead, CSR foresees

continued high levels of con-struction activity, no disadvan-tage from changes in Austra-lian sugar import arrangements, and firm world aluminium prices.

### Premium income growth at Santam slows down

By Jim Jones in Johannesburg

PREMIUM INCOME grew slowly for Santam Insurance, the South African short-term insurer, in the past financial year, as increased competition pared premium rates.

The announcement of San-tam's results coincided with a warning by the Registrar of Financial Institutions to insur-ers not to become involved in a rates war. The registrar has warned in a circular that improved domestic underwriting profits and lower interna-tional insurance rates are plac-ing pressure on underwriting standards and premium rates. He adds that unjustified rate cutting has led to serious disruptions of the insurance mar-ket and to a weakening of the financial soundness of insur-

Insurance analysts here say that insurers have been per-

Issued and

Highgate & Job Group PLC.

60 Murrey Street.

Renfrewshire PA3 1QH.

suaded to cut rates to gain market share, as higher inter-est rates have lifted the companies' investment incomee. Some analysts fear a re-run of the events of 1984-85, when some insurers found their reserves were inadequate to cover underwriting losses.

Santam's gross premium income rose to R668m (\$281m) in the 12 months to September 30, from the previous year's R643m, while the underwriting profit rose at a faster rate to R23.3m, from R20.3m. Investment income increased to R38.1m from R26.9m.

share, from 41.5 cents, and the dividend has been raised to 18 cents from 15 cents. Santam is the short-term arm of Sanlam, South Africa's second-largest insurance company.

### Earnings rose to 55.4 cents a

With a settlement in sight

### **CORRECTION NOTICE**

**Morgan Guaranty** Trust Company of New York

Japanese Yen 15,000,000,000

Floating Rate Deposit Notes Due 1991 For the six months 16 November, 1988 to 16 May. 1989 the Notes will carry an interest rate of 6.5875 per cent. per annum.

Interest payable on the relevant interest payment date, 16 May, 1989 will be Yen, 331,205 per Yen, 10,000,000,00 Note. Morgan Guaranty Trust Company of New York London Agent Bank

### The Outlook For World **Mobile Communications**

7 & 8 November, 1988

A FINANCIAL TIMES CONFERENCE

this advertisement, together with your business card. to: Threated Tunes Conference Organisation 126 Jermyn Street London SW1Y 4UJ Alternatively, telephone: 01-925 2323 telex 27347 FTCONF G

For information pieese return

#### Notice to Bondbolders

### THE BURTON GROUP PLC

£110,000,000 4 3/4 PER CENT CONVERTIBLE BONDS DUE 2001 (the "Bonds")

Notice is hereby given that The Burton Group PLC ("Burton") has agreed with The Law Dehenture Trust Corporation p.Lc., the trustee of the Bonds, amendments to the Trust Deed in respect of certain of the rights of the Bondholders. These amendments, which are embodied in supplemental Trust Deeds and details of which are set out to a revised Extel Card, are designed to have effect as follows:

(1) Bondholders have been granted an additional put option, exercisable on 25th August, 1997 to give Bondholders the same stated compound yield to put of 9.98 per cent. per annum

(fi) Burton has been granted the option to redeem the Bonds on 25th August, 1992 at the 1992 put price of 1361/2 per cent. in place of its existing right to redeem oo such date at 101 per cent. in each case together with accrued interest. Burton's rights of redemptioo, at 101 per cent. from 26th August, 1992 to 25th August, 1993, inclusive and at par thereafter until 25th August, 1997, in each case together with accrued interest, are now conditional up on Burton's share price reaching a level at which, if cooversion took place and the shares were sold at such level, the proceeds would exceed the accruing value of the additional 1997 Bondholder put option by 10 per cent. (together with any accrued but nanzid interest).

(iii) Burton has been granted the ability, in the light of market conditions on or before 25th August, 1992, to increase the yield to redemption at the Bondholders' option oo 25th August, 1997.

(iv) Burton has been granted the option in each year commencing with the year from 25th August, 1992 np to and locludiog the year commencing 25th August, 1996, to pay io cash on each succeeding coupoo date thereafter (up to and including 25th August, 1997 or, if earlier, upon redemption) equal amounts of supplementary interest which would otherwise have accrued, and thus maintain the overall return of 9.98 per cent., or a higher rate porsuant to (III), up to 25th August, 1997. This option ooce exercised will commit Burtoo to make such payment in each such subsequent year.

(v) An underwriting option has been added, enabling Burton to require Bondholders exercising their put option in respect of 25th Angust, 1992, to sell their Bonds at the 1992 put price to a third party, which would anderwrite the placing of those Bonds in the market. If exercised, this option will not make any difference to the action required of Bondholders to obtain the 1992 put price of 1361/2

(vi) The periods for exercise of the Bondholders' put options on 25th August, 1992 and 25th August. 1997 are to commence on 5th August in those years. Full details of any under writing arrangements (pursuant to (v) above) are to be notified to Bondholders prior to the period during which Bond-

holders may exercise their put option on 25th August, 1992. Copies of the revised Extel Card are available in the Extel system and from the Principal Paying Agents:

The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

This Notice has been issued by The Burton Group PLC which is solely responsible for its contents. The Notice has been approved, in accordance with the rules of The Securities Association, by S. G. Warburg Securities, a member of The Securities Association.

The Burton Group PLC

24th November, 1988

#### MANUFACTURERS HANOVER TRUST COMPANY 275,000,000

Floating Rate Subordinates Capital Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the Interest Period 23rd November1988 to 23rd Februery 1989 has been fixed at 12½ per cent per annum. The Coupon Amounts will be £154.75 for the £5,000 denomination and £1,547.47 for the £50,000 denomination and will be period of 23rd February 1989. be payable on 23rd February 1989 egainst surrender of Cou-pon No 17.

Manufacturers Hanover Limited ( a Member of the Securities Association] Agent Bank

### Dresdner Finance B.V.

Amsterdam

DM 500,000,000 Floating Rate Notes 1985/1995

The Rate of Interest applicable to the Interest Period from Novembor 24, 1988 to Fobruary 23, 1989, inclusively, was determined by Barclays Bank PLC, London, as Reference Agent to be 5 per cent per annum, Therefore,

on February 24, 1999, the relevant interest Payment Date, interest per Note of DM 10,000 principal amount in the amount of DM 127,78 and interest per Note of DM 250,000 in the amount of DM 3,194,44 is due.

Dresdner Bank Principal Paying Agent

Dresdner Bank Group

November 23, 1988

# **Federal Farm Credit Banks** Consolidated Systemwide Bonds

8.65% \$883,000,000 CUSIP NO. 313311 SJ 2 **DÚE MARCH 1, 1989** 

8.85% \$1.198.000,000 CUSIP NO. 313311 SN 3 **DUE JUNE 1, 1989** 

Interest on the above issues payable at maturity

8.95% \$500,000,000

CUSIP NO. 3,13311 TM 4 DUE DECEMBER 1, 1989 Interest on the above issue payable June 1, 1989, and at maturity

Dated December 1, 1988

**Price 100%** 

The Bonds are the joint and several obligations of the Banks of the Farm Credit System and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not obligations of and are not guaranteed by the United States Government. Additional information may be obtained upon request through the Funding Corporation.

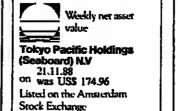
Bonds are Available in Book-Entry Form Only.

**Federal Farm Credit Banks Funding Corporation** 

90 William Street. New York, N.Y. 10038 (212) 908-9400

The Farm Credit System

This announcement appears as a matter of record only.



Pierson, Heldring & Pierson N.V.

Ente Nazionale per l'Energia Elettrica (ENEL) Yen 10,000,000,000 Guaranteed Floating Rate Notes Due 1992

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

Notice is hereby given that the Rate of Interest has been fixed at 5.15% and that the interest payable on the relevant Interest Payment Date May 24, 1989 against Coupon No. 3 in respect of ¥10,000,000 nominal of the Notes will be ¥255,384.

November 24, 1988, London November 24, 1700, London By: Citibank, N.A. (CSSI Dept.), Reference Agent CITIBANC

S

reholder

character the for

the sea plants of the sea of the

. Attitute to the g C MAR es big

Westen for · a it bein un Sasifical (11) tille Mr Ben to ile... 1 R. a. of See-A CONTRACTOR will provide

. \*A.\*

 $\Sigma_{\rm COS}$ 

helore in

it sale districts business d Stern the region LOINE ME in lictury ess

the second the for take nati a re bossio e yes wate n: mi s ivage

d

#### HARRISONS MALAYSIAN PLANTATIONS BERHAD (Incorporated in Malaysia)

INTERIM REPORT FOR THE SIX MONTHS TO 30TH SEPTEMBER, 1988 The Directors announce that the unaudited results for the six months to 30th September, 1988 were:

GIU			Comp	ony one	
1988		~			~
MS'000	MS'000				96
297,425	251,700		10,540	12,000	
6.074	5 385	13	1.952	1.378	
	3,303	==	====	===	=
106,682	53,548	99	7,319	3,492	1:
2,304	2,390	(4)			_
108,986	55,938	95	7,319	3,492	17
26,972	20,427	32	1,194	764	
					_
82,014	35,511	131	6,125	2,728	12
1,365	249	448			_
80,649	35,262	129	6, 125	2,728	12
508	819	(38)	_	_	-
					_
81,157	36.081	125	6,125	2,728	12
		_			
11 574	188		<del>-</del>	-3	
11,514	11,700		594	330	
467	224		83	305	
508	_		_	_	
<del></del>	112		_	_	
_	16			_	
	691				
508	819		=	=	
					198
			Gr	OHD	Grou
	1988 MS 000 297,425 6,074 106,682 2,304 108,986 26,972 82,014 1,365 80,649 508 81,157 11,514 32,740 (6,235) 467	MS 000 MS 000 297,425 251,765	1988	1988       1987       1988         MS'000       MS'000       MS'000         297,425       251,765       18       16,945         6,074       5,385       13       1,952         106,682       53,548       99       7,319         2,304       2,390       (4)	1988         1987         1988         1988         1987         1988         1987         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988         1988 <td< td=""></td<>

508 819		_
	1988 Group	1987 Group
Profit after taxation but before extraordinary items as a percentage of turnover  Profit after taxation but before extraordinary items as a percentage of	27.6%	14.1%
shareholders' funds  Net earnings per share (in sen)  Net tangible asset backing per share	4.5% 19.1 \$4.22	2.1% 8.3 \$4.04
The significant increase in profit is mainly attributable to higher commodity pr products. With the exception of rubber, production for all crops increased. If prevels, the results for the year will show a material increase in profit over the prevence of the	ices for palm a	nd rubber

HARVESTED CROPS - TONNES		
	1988	1987
Palm oil	504,083 103,180	455,040 95 187
Palm kernels	30,927	27,862
Rubber	22,497	24,690

A copy of the Company's Interim Report will be posted to shareholders on 28th November, 1988. Copies will also be available from the Company's registered office and the Branch Registrar, Baring Brothers & Co. Limited, Bourne House, 34, Beckenham Road, Kent BR3 4TU, United Kingdom.

KUALA LUMPUR,

This announcement appears as a matter of record only



# Paisley Hyer Group PLC

£8.15 million Convertible Loan Stock

issued to finance the acquisition of 27% of Stirling Group PLC

subscribed by The Edinburgh Investment Trust PLC MIM Development Capital Limited The Standard Life Assurance Company

arranged by

### **Stevenson Trust Limited**

25 Alva Street, Edinburgh EH2 4PS. Tel: 031-557 0900

#### PAN HOLDING SOCIETE ANONYME LUXEMBOURG

The half-yearly report of the company will be available at the "Societe de le Bourse de Luxembourg" and the "Societe des Bourses Franceises" from December 15, 1988.

15.02% (plus 1.47% pold buildon) 82.51% (Items exceeding 6%)

The unconsolidated net asset value per share, coupons included and siter cancellation of 85,000 abuses owned by the company, increased, despite the market crash, by 25,1% between December 31, 1965 and October 31, 1968.

HMC MORTGAGE **NOTES 2 PLC** £175,000,000 Class A £14,000,000 Class B Mortgage Backed Floating Rate Notes Due February 2015

For the interest period 23rd November, 1988 to 23rd February, 1989 the Class A Notes will bear interest at 12.5375% per annum. Interest payable on 23rd February 1990 will be to 12rd February 1989 will amount to £3,160,14 per 11990 will amount to £3,160,14 per £100,000 Note.

The Class 8 Notes will bear interest at 13.5375% per annum. Interest payable on 23rd February, 1989 will amount to £477,706.85

per £14.000,000 principal amount. Agent Bank: Morgan Guaranty Trust Company of New York London

### By Tim Dickson in Brussels

WITHIN a year of repossessing his family's meat processing company from US control, Mr Pedro Ballys is seeking to recross the Atlantic to sell his Gechem and Fabrique Nationale de Herstal (the latter noted for its world famous Browning rifles) were unveiled at separifles) were unveiled at sepa-rate press conferences yester-day, though both announce-ments display the strong guiding hand of La Générale's new owner, Compagnie Finan-cière de Suez, and Mr Herve De Carmoy, the Belgian holding'a new chief executive.

As such the plans offer the Spanish sausages and cured hams to North America's Hispanic population.

Mr Ballve, whose fathar founded Campofrio when he bought a small slaughterhouse in his home town of Burgos in

1952, aims to produce what he calls "ethnic Spanish food" next year at a new \$10m plant As such the plans offer the first significant clues to the next year at a new \$10m plant in the Dominican Republic.
Campofrlo's 35-year-old chairman said yesterday the Dominican venture would serve to test the US market and was a first step towards the acquisition of a manufacmuch trumpeted new strategy being drawn up to make sense of La Generale's sprawling empire of businesses following the unsuccessful but spectacular takeover attempt earlier this year by Mr Carlo De Bene-detti, the Italian industrialist. turing company in the US.
"We are going to be producing chorizos (spicy Spanish sausages) for Miami, not franks for Iowa," he said.

**Spanish** 

aims at

meat king

**US** palate

By Tom Burns in Madrid

In December last year, Mr Ballve completed an arduous repurchase deal of 50 per cent of Camporrio that had once belonged to Beatrice Interna-tional Food of the US. It had ended up, by way of Kohlberg Kravis Roberts, the Wall Street group, in the hands of a second US investment company, the TLC group. His father, Mr Jose Luis

His father, Mr Jose Luis
Ballve, who died in 1985, had
sold half the company to the
US food group 10 years ago
and the arrangement had
worked well — "We knew each
other's handwriting," said Mr
Ballve Jr — until financial
groups acquired Beatrice.
Mr Pedro Ballve pnt np
everything he and his family
owned as collateral to obtain a
loan from Madrid's Banco Central and then paid \$90m to

tral and then paid \$90m to TLC for its Campofrio equity.
In April Central liquidated the
debt by acquiring 40 per cent
of the company and then
floated 12 per cent of what it
had purchased on the Spanish
markets this summer markets this summer.

Mr Ballve plans a Pta425m (\$3.8m) capital increase for Campofrio next month to finance the company's expan-sion; the US with its 25m Hispanic population is only one of several strong growth areas identified by the ambitious head of the Ballve family. In a joint venture with a sec-

ond Spanish meat processing company, a Toledo-based pro-ducer called Mannel Diaz Ruiz, Campofrio has invested Pta300m in a ham curing centre in France and aims to spend Pta400m on the plant to lift production capacity to 250,000 hams a year.

The French venture will use the technology of the two com-panies to turn French and Belgian pork into Serrano ham — a Spanish product thet is gen-erally considered to have more flavour than what European consumers know as Bayonne ham and Parma ham — and it will circumvent EC current bans on the export of Serrano hams on account of African

awine disease in Spain.
So far Campofrio has
thrived on the Spanish market, where it has a 10 per cent quota of meat products and double the sales of its nearest an increase in MBB's share capital. Previously Mr Karlheinz Kaske, Siemens' management board chairman, had said that, in the event of a capital rise, Siemens wanted to keep its MBB stake at the current rival, Revilla, a Unilever sub-sidiary. Mr Ballve's company had a net profit of Pta2.47hn last year, against Pta1.32hn in 1986, and expects to net

Pta3.2bn this year.

In part the Spanish profits are due to the success of white meat products, notably pro-cessed turkey, that have been introduced to the domestic market by Campofrio.

SOCIETE GENERALE de Belgique, Belgium's higgest and most powerful holding company is to put up more than BFriibn (\$305m) of new capital as part of a major operation aimed at breathing new life into two of its ailing mannfacturing subsidiaries.

The restructuring plans for Gechem and Fabrique Nation-

ent form.

Behind the thinking lies a belief that both Gechem and FN have some sound underly-

INTERNATIONAL COMPANIES AND FINANCE

both be developed internally -the emphasis being on revital-ising management - but the idea of selling the latter has

search is on for a majority shareholder partner prepared to maintain the manufacture of high calibre ammunition in Belgium while the plastic films side is to be sold.

Gechem's plan, which will mean job cuts of around 1,000 over the next two years, is that sales by 1991 will be of the order of BF745bn (not substan-tially different from the

tially different from the moment) but that "profitability should be in line with what is

normally expected in the com-pany'a areas of activity." Losses this year are likely to be more than BFr2bn with

The financial side of the plan

involves a major restructuring and recapitalisation to finance

the extraordinary charges resulting from earlier rational-isation amounting to more than BFrohn. La Générale will

break even in 1989.

### KNY CONSOLIDATED FIGURES FOR

La Générale units to get BFr11bn

FN	1967	1956	1985
Turnover	28,762	28,092	33,912
Loss	1,510	2,836	a.s
Shareholders' equity	1,624	753	2,496
Gechem	1987	1986	1985
Tumover	39,125	54,976	81,299
Profit	-2,236	-3,663	441
Shareholders' equity	1,462	3,269	7,286

ing activities which, freed from the crippling burden of debt and accumulated losses, are capable of blossoming over the

Source: La Générale 1987 annuel repor

next few years.

The jewel in Gechem's crown is the polyurethane business Recticel (around 56 Both Gechem, a chemicals concern taking in everything from polyurethane and metal-lic oxides to explosives and plastic films, and Fabrique per cent of this year's projected BFr44.4bn turnover for the group), which Gechem says will be the target of considerable extra resources and "through acquisitions and expansion of existing activities. Nationale, manufacturer of civil and military armaments and leisure equipment, have been heavy loss makers in recent years and along with ACEC, the engineering and expansion of existing activi-ties" its growth "will be accel-erated towards worldwide electronics company, have been dubbed by local analysts La Générale's "lame ducks."

dimensions."

The metallic oxides and salts Rumours of a break up of hoth companies have fuelled

ers will be asked to put up roughly BFribn. At the Liege-based FN the not been ruled out. In the defence division the

story was largely one of con-tinuing the restructuring plan put in place in 1986 with the provision of aubstantial new resources. La Générale will put up around BFr5.1bn, other shareholders will be asked for between BFr500m and BFribn and BFr615m will be sub-

provide BFr6.3bn in two capital increases and other sharehold-

and BFr615m will be sub-scribed in convertible bonds. The company said yesterday that the new capital would help clear up BFr4.9bn of write downs, provisions and losses in the balance sheet and that the savings on its financial costs would amount to BFr1.18bn would amount to BFT1.18bn
next year, BFT1.35bn in 1990
and BFT1.38bn in 1991. The
company anticipates announcing a loss of BFT600m 700m this
year (BFT1.8bn in 1987 on an
unconsolidated basis) but
expects a profit in 1989.
On overall strategy, FN
intends to develop further the

intends to develop further the main lines agreed in 1986, which it says "has started to bear fruit." Resources will therefore be concentrated on the original core of the group namely the design, manufacture and sale of civil and military armaments
 where FN believes it is a world leader These areas are also profitable and FN is in negotiation to raise its current 37 per cent atake of the American Win-

The plan for the seronautical side (FN Moteurs) is to con-tinue the search for partners.

### Aga expands Danish cold storage side By Sara Webb

AGA, the Swedish industrial gas group, is to boost its Frigoscandia commercial freezing operations in Denmark by acquiring Cold Stores, a cold storage operation owned by the Danish Carlsberg group. The deal, for an undisclosed

in Stockholm

sum, is intended to strengthen Frigoscandia's position nation-wide, with a commercial cold storage business as well as a transport and distribution sys-

tem, and turn it into one of the market leaders in Denmark. Cold Stores, with 220 employ-ees, has an annual turnover of DKr160m (\$24m) and showed a profit last year. Frigoscandia said the acquisition would increase its total turnover to around SKr2hn (\$333m) in 1989.
Last year, Frigoscandia items) of SKr138m.

By Our Financial Staff

SIEMENS, the West German electronics group, said yester-day it was prepared to reduce its stake of just under 10 per cent in Messerschmitt-Boel-

kow-Blohm (MBB), the aero-

space company in which Daim-ler-Benz is set to take a 30 per

Slemens said it was ready to negotiate giving up its sub-scription rights in the event of

an increase in MBB's share

Sigmens welcomed moves by Daimler-Benz to take a stake in MBB via a capital increase and said it would support Daimler's

endeavours to take complete management control of MBB.

### Total faces two hurdles in Saga Petroleum deal

By Karen Fossii in Oslo.

THE PLANNED NKr960m (\$148m) purchase by Total Marine Norsk, the Norwegian subsidiary of Paris-based Total-CFP, of a 30 per cent stake in Saga Petroleum, Norway's largest independent oil company, must clear two major hurdles if it is to go

Total is to buy the 20 per cent share in Saga held by Aker, the large Norwegian industrial group. In addition, it will buy the 10 per cent held by Den norske Creditbank (DnC). However, for the deal to go through, Saga's board must

agree to boost the ceiling for foreign shareholdings in tha company to 60 per cent from 40 per cent. This will require the board to make changes to its by-laws, which it will consider meeting tomorrow.

Siemens ready to cut stake in MBB

Daimler has been negotia-ting with MBB's owners over its move into the company

since mid-November when the West German Government

approved fresh subsidies for MBB's stake in Airbus Indus-

trie, the aircraft consortium.

MBB is 51 per cent state-

owned, the rest being owned

by banks, electronics compa-nies and family trusts.

Allianz, the West German

insurance group, has agreed with Banco Popular Espanol of

Spain to form two joint ven-tures — a life insurance unit and a company for the manage-ment of pension funds — in

Allianz also confirmed that

it has acquired a stake in the

Spanish bank to strengthen the co-operation agreemants. A representative of Allianz will

sit on Banco Popular's board,

The by-laws state that no single shareholdar may hold, directly or indirectly, more than 20 per cent in the company, and that no single sharebolder may cast votes representing more than 20 per cent of share capital represented at the shareholders meeting. Total already has 5 per cent

of Saga, while Volvo of Sweden has 20 per cent and a mix of other minority foreign shareholders hold a further 5 per cent. The remaining 10 per cent of the 40 per cent quota is, however, available but has been reserved by Saga's board for fund raising through a future convertible bond issue. Should Saga's board agree to

the foreign quota expansion, the second hurdle is that of gaining approval from Norwedivided on the Issue.

iary, Rinnione Adriatica di Sicurta (RAS), will hold a 70

per cent stake, and Banco Popular will take a 30 per cent interest. In the fund manage-

ment company, the bank will own 51 per cent and the insur-

ance group 49 per cent of the

• Jagenberg, the engineering subsidiary of Rheinmetall Ber-

in a letter to shareholders

Jagenberg said it expected another satisfactory year in

1988, with world group sales expected to reach DM1.3bn after DM1.15bn in 1987.

### Nat-Ned ahead as Amev slips

By Laura Raun in Amsterdam

TWO OF THE Netherlands' big insurance companies yesterday painted widely differing pic-tures of business in the first nina months of 1988, with National-Nederlanden managing to lift earnings and Amev

Both insurers maintained their forecasts of stable to higher profits for all of 1988. They declined to split out third-quarter figures. Nat-Ned, the country's big-

gest insurance company, said net income spurted up 13 per cent to FI 523m (\$270m) in the January-Saptember period from Fl 468.5m a year earlier, boosted by non-life insurance and currency movements. Adjusted for capital increases per-share earnings rose a more modest 7 per cent to Fl 4.20 from Fl 3.93.

Operating profits fell 10 per cent in life insurance due to atart-np costs of business in Japan and Spain while those of non-life soared 21 times thanks to narrowing losses in motor the insurer said. It did not dis-

insurance. Revanues advanced 12 per cent to Fl 14.56bn from Fl 13.05bn

# close the size of its holding. In the life insurance unit, Allianz and its Italian subsid-

Halifax Building Floating Rate Loan Notes 1996 For the three month period from 23rd November, 1988 to 23rd February, 1989 the Notes will

dated sales rose 14 per cent to DM1.06bn (\$616m) from DM926m in the first 10 months bear interest at the rate of 12% per cens. per annum. The Coupor £5,000 Note and £1,551.71 per £50,000 Note, payable on 23rd February, 1989. Morgan Grenfell

& Co. Limited Agent Bank

### Leadership change at Générale Bank

A CHANGE of leadership at Générale Bank, Belgium's larg-est bank, will take place at the end of this year on the retire-ment of Mr Eric de Villegas de

Clercamp, chairman of the board of managing directors.
Chosen as his replacement is Mr Paul-Emmannel Janssen, who is 57 and a board member. Mr de Villegas will reach the normal retirement age of 65 in the first half of next year. Mr Marcel Goblet, vice chair-

man of the bank's board of directors and representative for Societé Générale de Belgique, Belgium's biggest holding company, is resigning for pro-fessional reasons.

He will be succeeded by Mr Herve de Carmoy, managing director of Société Générale, which is the benk's main shareholder with over 12 per cent of the equity. cent of the equity. \* \* \*
TWO SENIOR members of the

management committee of Goldman, Sachs, the US invest-ment bank, are retiring and will be succeeded by Mr Mark Winkelman and Mr David George, according to Goldman sources.

The changes take effect this Saturday, the start of Gold-man's fiscal year. Mr Winkel-man, 42, co-heads Goldman's fixed-income operations with Mr Jon Corzine, aged 41, who is already on the nine-member management committee. Mr George, 46, heads the operations and technologies

The two officials leaving the management committee are Goldman veterans Mr James Gorter, 58, and Mr Richard Msnschel, who will become limited partners.

THE TOP post of chairman at Westpac Banking, the largest Australian bank indged by global assats, will change hands early next year.

Sir James Foots, 72, intends to retire from the role after the bank's annual general westing. bank's annual general meeting in January, and proposed as his successor is Sir Eric Neal,

currently deputy chairman.
Sir Eric, aged 64, has been a director of Westpac since April, 1985, and is one of Australia's best-known businessmen. AT CRAY Research, US and

the world's leading manufacturer of supercomputers, Mr Mercelo Gumucio has been promotad to president and chief operating officer. Mr Gumucho, as chief operat-ing officer, will be responsible for overseeing day to day activ

for overseeing day-to-day activities and the accomplishment of objectives spanning one-to-three years. His position for

the past five years was execu-tive vice president, marketing. Mr John Rollwagen, chairman and chief executive, also announced the formation of a technical council, which he will chair, with responsibility for setting long-term product development direction for the company.

GULF + WESTERN, the US entertainment, publishing and financial conglomerate, named Mr Sidney Ganis and Mr Barry London presidents of the Motion Picture Group of its Paramount Pictures unit.

They succeed Mr Ned Tanen, who will give up his day-to-day responsibilities and concentrate on specific projects.

While in Zurich enjoy your complimentary copy of the Financial Times as a guest of the.

> Hotel Zürich antiblequal 42, 8001 Zürich Telefon 01-363 63 63

## MCorp and MCorp Financial, Inc.

NOTICE OF DEFAULT NOTICE OF NOTEHOLDERS MEETING 16 A.M. December 20, 1988 Manufacturers Hanover Trust Company 270 Park Avenue 11th Floor, Conference Room 3 New York, New York Cusip 55267M AH a

ISIN US 55267M AH 6 2 ISAN US 55267M ARI 6 2

On November 16, 1988, MCorp and MCorp Financial, Inc. (collectively, the "Companies") failed to pay the installment of interest due and payable on that date to the helders of their Floating Race Subordinated Capital Notes Due 1997 (the "Notes").

In a press release dated October 24, 1988, MCorp armounced that its board of directors had declared a moratorism on the payment of principal and interest on all parent company public and privately placed indebtadeess for borrowed money, including the Notes.

Under Section 503 of the Indenture, dated as of November 14, 1985, between the Companies and Manufacturers Hanover Trust Company, as Trustee (the "Indenture"), pursuant to which the Notes were issued, shields the Companies pay the installment of interest within the long for collection.

Me between the Companies pay the installment of interest within the ling for collection.

30-day grace period allowed by the Indenture, the Trustee may institute a judicial processing for collection.

We have scheduled a meeting of the holders of the Notes and their authorized representatives at 19:00 a.m. on December 20, 1988 in conference room 3 on the 11th floor of our 270 Park Avenue offices in New York City to that Noteholders will have an opportunity to discuss this situation with each other and to present at the meeting to discuss this situation with each other and to present at the meeting to discuss this situation with the Noteholders and to answer their questions.

Copies of the Indenture may be examined at our 600 Fifth Avenue offices, 10th Floor, during normal business bours by bolders of the Notes and their authorized designees. In this regard, we call your attention to the rights which the holders of a majority in principal amount of the Notes have pursuant to Section 512 of the Indenture.

nount of the Notes have pursuant to Section 512 of the Indenture:

"The Holders of a majority in principal amount of the Outstanding Securities (i.e., the Notes) for such leaver amount as shall have acted at a meeting pursuant to the provisions of this Indenture) shall have the right to direct the time, mathod and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that.

1) such direction shall not be in conflict with any rule of law or with the Indenture, expose the Trustee to paraonal liability or be duduly predjudicial to Holders not joining therein, and

2) the Trustee may take any other action desmed proper by the Trustee which is not inconsistent with such direction."

For additional information, please contact William B. Dodge, Assistant View President, at (212) 957-1151 or by mail at Manufacturers Hanover Trust Company, 600 Fifth Avenue, New York, New York 10020, Attn: Corporate Trust Department.

Dated: November 23, 1988

Manufacturers Hanover Trust Company, on Trustee under the Industry of MCorp and MCorp Financial, Inc., dated as of November 14, 1985



### INTERNATIONAL COMPANIES AND FINANCE

By Alice Rawsthorn in London

COURTAULDS, the international textilea and chemicals group, yesterday announced a 4 per cent fall in pre-tax profits from £102.2m to £98.1m (\$178m) for the first half of the year reflecting difficult trading conditions in its textile

and fibre interests.
Sir Christopher Hogg, chairman, said that the combination man, said that the combination of a strong pound and a weak dollar had created intense competition for both businesses. He added that he drew confidence from the "robusiness" of the group and that he would be "disappointed if the wind blows harder" in the future. Earnings per share fell from 19.7p to 17.7p. The board proposes to tocrease the interim dividend to 2.9p (against 2.75p). Courtaulds share price fell 3p to 2.75p on the announcement yesterday.

The group saw sales increase in the US where it benefited from the withdrawal of its £1.16bn) in the six months to September 30. Operating profits rose to £100.4m (£98.8m) but the interest charge increased, the interest charge increased, reflecting the impact of recent acquisitions, to £11.4m (£6.0m).

The higher proportion of overseas earnings — particularly from the South African wood pulp business, which Courtaulds sold in July — boosted taxation—to—£24.6m

Fibres suffered a slump in operating profits to £13m (£24m). The principal problem lay in acrylics, where its cus-tomers — the European knitwear manufacturers and hand knitting yarn spinners — have been hit by declining demand and increased import pressure. Courtaulds had, however, fared well in viscose, especially

acrylics has recovered in recent months, although Courtaulds said it was too soon to say whether the recovery will be sustainable.

Textile trading has been hit by a sudden surge of low cost imports into the UK and erratic consumer spending. Profits fell to £21m (£28m). Spinning, the most valuesable area, was barely profitable. Courtaulds has closed several

textile plants in recent months, including four spinning mills.

The wood pulp business, which was sold in the summer, benefited from unexpectedly strong demand for viscose and profits rose to £25m £14m). Mr Richard Lapthorne, finance director, defended the decision to sell because of the poor quality of earnings. The dis-posal was the chief contributor to an extraordinary credit of £141.5m (£1.2m) and offset the

£141.5m (£1.2m) and offset the cost of rationalisation.

Profits from coatings increased to £22m (£14m) thanks to the contribution of Porter Paints and strong growth from powder. Similarly the addition of Martin Processing offset the decline of the established films and packaging interests and profits rose to £16m (£15m). £16m (£15m). Chemicals and materials pro-

duced static profits of £8m, because of increased competition in advanced materials.
Sir Christopher said that, after the wood pulp disposal, Courtaulds was in a strong position to stage strategic acquisitions across its activi-

### Telephone Rentals spurns bid

By Philip Coggan

LUCION F.

" I to to to to to

the for parties

V Slips

(1) So therizates

11 11 11 15

er a different

17 (22 ) (96) 6:

arene assess

i karansi Tir pradha

an e hispans

10 (0) (0)

lax Building Sprich

ancial. la

CABLE AND WIRELESS, the international telecommunications group, yeaterday increased its bid for Telephone Rentals to 340p, but the offer

was once again rejected by the target company's board.

The revised bid values Telephone Rentals, the UK's second largest telecommunications. equipment distributor, at £320m (\$582m). Cable and Wire-less's earlier offer had valued the group at 305p per share, or

Analysts said that the higher offer was likely to clinch vic-tory for Cable and Wireless, which wants to link Telephone Rentals with its Mercury subsidiary, the only competitor to British Telecom in the market for UK mainstream telephone

The new C and W cash offer is accompanied by a full convertible loan stock alternative. which may attract those Tele-phone Rentals shareholders who want to retain a stake in

the enlarged business.

Shareholders will be able to elect to receive all or part of stock, which will carry a cou-pon of 7 per cent.

# Bouygues buys three UK water groups

BOUYGUES, the French construction and service group, yesterday muddled the turbulent waters of the UK water industry still further when it launched agreed bids worth a total of £68.2m (\$124m)

in cash for three of the 29 prim cash for three of the 22 private water companies.

The bids for Mid Southern,
West Kent, and Mid-Sussex —
which are likely to irritate several of the major groups in the
industry — could be followed
by an agreed offer for Eastbourne Waterworks Company,
SAUR Water Services Rouge.

SAUR Water Services, Bouy-gues UK subsidiary, is making the offers for West Kent and mid-Sussex, valuing the compa-nies at £18.2m, despite the probable opposition of two major shareholders, Southern Water Authority and Associ-ated Insurance Pension Fund, an investment vehicle for Mr Duncan Saville, an Australian businessman.

. The French group is offering £50m in cash for Mid Southern Water Company, part of Thames Water Authority's

Thames has so far been help-less to prevent three of the seven companies in its region falling prey to French hids and the bid will also tread on the

toes of one of SAUR'a rivals, Compagnie Generale des Eaux, which holds just under 15 per cent of Mid Southern.

A French takeover of Mid-Sussex and West Kent, which are linked by a joint manage-ment agreement, could under-mine the purpose of the controversial co-operation deal announced earlier this week by Southern and AIPF, which aimed to preserve "the long-term future and integrity" of three water companies in

It was thought the deal, which pooled the groups' resources and shareholdings, would also discourage bids for

-AIPF and Southern, which said it had no prior knowledge of SAUR's takeover intentions, together control 32.2 per cent of Mid-Sussex, 44.9 per cent of West Kent, and 35.1 per cent of Eastbourne Water Company.

Yesterday's offers followed bids launched on Monday by Lyonnaise des Eaux, another French supplier, for two water companies in the north east of England, and precede today's publication of the bill to privatise the 10 water authorities. Offer details, Page 34

### DnC to cut branches and staff

By Karen Fossii in Oslo

DEN NORSKE CREDITBANK (DnC), the big Norwegian banking group, yesterday won approval from its board of directors and supervisory board to close 15 domestic branches and reduce its staff by 25 per cent or 1,050 jobs in a bid to cut costs which have swollen to unprecedented levels in recent years.

DnC said the measures would be implemented immediately but that it would continue to maintain its range of

tinue to maintain its range o products and service and its presence in various markets in Norway and abroad.

Last month the bank posted reduced operating profits and higher loan loss provisions for the first eight months of 1988, Operating profit fell to NKr55lm (\$85m) from NKr875m

last year. The bank is struggling to achieve a positive result by 1990, after provisions for losses on loans and guarantees, after posting record losses in 1987 to top last year's. The cutbacks, however, seem

solder then eld a trace and first appropriate later, he is

to fall short of DnC's original plan to cut staff by up to 1,200 and the closure of 20 domestic

## Courtaulds profits decline to £98m WHY more top solicitors swear by MITEL. A system that can actually grow along with your company. A system with a host of unique features. company is expan A system already reorganising - or simp employed by telephone reliant — it me 7 of the UK's sense to install the most eding legal firms. reliable and flexible phone The SX-2000 from Mitel. system on the market.

IF YOU DEPEND ON THE PHONE FOR YOUR LIVING, DEPEND ON MITEL FOR YOUR PHONE. THE For more information, call Chris Bayntun at local rates on 0345 078767, Mitel Telecom Limited, Portskewett, Gwent NP6 4YR.

# A striking improvement to a precious metal.

The Platinum Maple Leaf unique bullion investment coin for the astute investor. Platinum, one of the rarest of precious metals, is now available in the same quality that made the Maple Leaf the world's gold coin standard. The guarantee of the Canadian Government for weight, purity and legal tender status ensures a worldwide reputation . that is above reproach. Each coin is as good as cash easily convertible, where metals are traded, without a costly and time-consuming analysis. The Platinum Maple Leaf, a truly striking improvement to your



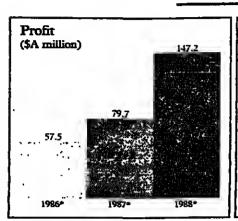


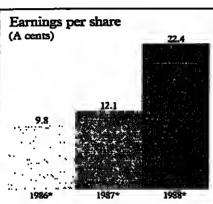
## CSR's Half Year 1988

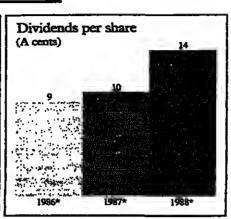
### A record result:

★ Operating profit up	85%
★ Earnings per share up	85%
★ Dividends per share up	40%

Almost \$A1 billion spent on expanding building materials activities







\*Half year to 30 September

CSR Limited, one of Australia's largest public companies, is a major building and construction materials company, the largest sugar miller and refiner, and has very competitive aluminium investments.

CSR is well placed to further develop its building and construction materials activities, both domestically in Australia and its international activities in North America, the UK and Europe.

To complement the increasingly international nature of its building materials business, CSR is applying for its shares to be listed on the International Stock Exchange in London.

Further details on CSR's results and growth prospects are provided in the half-yearly results summary. For a copy please complete and return this coupon to: CSR International Pty Ltd, 66 Mark Lane, London EC3R 7HS, UK

Name. Address.



This advertisement, for which the directors of CSR Limited are solely responsible, has been approved for the purposes of Section 57 of the Financial Services Act 1986 by S.G. Warburg Securities (as sponsors of the proposed introduction) and Cazenove & Co. (as brokers to the proposed introduction), both of whom are members of The Securities Association. Past performance is not necessarily indicative of likely future performance.

# Expert advice on the Stockmarket-FREE for 4 weeks

Stockmarket conditions have changed radically since October 1987. You may be tempted to see only the uncertainty and become mesmerised into inactivity.

But don't be! What is needed now is a different approach to investment

With the help of IC Stockmarket Letter each week you can start to adjust your portfolio to the new circumstances. We'll show you how to act - when to

### **COPING WITH** A NEW WORLD

We'll give you expert advice on how to deal with these changed circumstances. and do so absolutely free for 4 weeks.

At the same time, as a subscriber to IC Stockmarket Letter, you also receive two introductory guides with our compliments to help you understand the stockmarket. Just fill in and post the form at the bottom of the page.

### WHERE'S THE MONEY NOW?

The institutional investors - the big pension funds and insurance companies continue to have a huge inflow of funds. to invest.

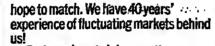
Their activity and decisions will determine which shares will outperform the stockmarket.

To tune in to the way the institutions are thinking - and acting - you need the help of IC Stockmarket Letter.

You can be sure that we will keep you informed. IC Stockmarket Letter aims to keep its

eyes and ears open on your behalf -

looking for real opportunities. What's more, as part of Financial Times Magazines and sister publication to Investors Chronicle, we have strong City connections and enormous research resources which other tipsheets cannot



Each week we brief you on the significance to the stockmarket of economic, financial and political developments round the world. We advise you on shares to buy, and to sell. We give you new recommendations each week, and update you regularly on previous ones.

You can be sure that our recommendations are the products of careful selection and assessment, backed by real knowledge and understanding. IC Stockmarket Letter provides all

You can benefit from our experience, if you become a new subscriber now.

### **2 FREE GUIDES**

Essential reading with your trial subscription - 'Making the most of your IC Stockmarket Letter' shows you how to get the most out of the information we give you. The 'Pocket Guide to the Stockmarket' is a handy booklet explaining what you need to know about how to weigh up shares. And it includes a comprehensive glossary to help you cope with all that puzzling stockmarket iargon.

### 4 ISSUES FREE

At a time like this, you don't want to make a big commitment. That's why we're saying, 'try it free.' See the way we think test the recommendations we make. Decide if it's going to be for you. You receive the first 4 weeks' issues of IC Stockmarket Letter free when you use this coupon. After that the choice is yours.

Visa Access Arnex Diners

Please return to: FT Magazines. Subscription Department, 1st Floor, Central House, 27 Park Street,	I wish to pay by credit card.
FREEFOST, Croydon CR9 9ER	Please debit my account.
YES, please enter my subscription to IC Stockmarket Letter at the UK rate of £801 understand that I will receive 55 issues; the first 4 are free. After receiving my 4 free issues of IC Stockmarket Letter I can cancel. Any	Visa Access Acc No. Expiry date.
norment i make now will be reharded in full. If I choose	Signature

to have you bill me, then cancel. I will owe nothing. l understand I will also receive your introductory guide to IC Stockmarket Letter and the Pocket Guide to the

Company/Private Address

Please bill me

Mr/Mrs/Miss.

\_lob Title\_





INTERNATIONAL CAPITAL MARKETS

THREE NEW Canadian dollar issues totalling C\$250m and the first new Eurosterling bond for some time formed the highlights of a fairly quiet day in the Eurobond market with yesthe Europoin market with yes-terday's holiday in Japan and today's US Thanksgiving break combining to keep secondary market activity at extremely

Continued pressure on the US currency and nerves about possible oil price hikes affected dollar-denominated issues although subdued activity limited losses. Nevertheless, the recent Japan Highway deal continued to see good demand, remaining well within its total fees, bid at a discount of 1.60. By contrast, the Australian Wheat Board's recent market debut bonds had slipped to

trade outside fees yesterday.
The Canadian government bond market also traded lower as dealers switched their attention to economic fundamentals in the wake of the re-election of the Conservative Party. However, some senior syndi-cate sources said they would think twice about bringing a new deal to the sector. Although swaps are working at the moment, successfully com-pleting the transaction means that issues often have to be brought on fairly tight terms.

The most popular of yester-day's three deals appeared to be the C\$75m issue for the Union Bank of Norway led by J.P. Morgan, which managed to

CANADIAN DOLLARS

Exxon Cap. Corp. 

Bayerische Landesbk Int. 
Union Bank of Norway

lonal 71<sub>2</sub> 92 200 inds 83, 92 150 reflemes 7 4, 92 150

AUSTRALIAN DOLLARS

STERLING Lloyds Bank Pic(b)

Bare, 8k, Fin, 104 89. 8.F.C.E. 7 92

PESETAS

take advantage of the inverse yield curve in the sector to bring a deal with an attrac-tively high 11% per cent cou-pon designed to appeal to retail investors.

Eurosterling reappears in

Continental-based retail investors were also expected to show interest in the other C\$75m issue for a unit of Bay-erische Landesbank which was also book runner on the issue. The day's third deal in the currency was a C\$100m for

#### INTERNATIONAL BONDS

Exxon Capital Corporation via Credit Suisse First Boston which carries the guarantee of its triple-A rated parent. The issue has a mere one-year maturity and by definition, is not expected to trade widely. The paper is more akin to morey market instruments but money market instruments but remains free of withholding tax and thus holds specific attractions for many investors over alternatives such as bank

Surprisingly, it was a US house, Merrill Lynch, which yesterday re-opened the Eurosterling market with a fixed-rate subordinated issue for a UK clearer, Lloyds Bank. The borrower does not have a long term credit rating although its short term debt is rated A1/P1 This issue will count as second tier capital. The lead manager said it had identified demand

NEW INTERNATIONAL BOND ISSUES

1438

1138

11.4

100

100

10bn

◆Final terms. a) Issue may be Increased. b) Subordinated.

101 1<sub>8</sub>

101.15

1015

FT INTERNATIONAL BOND SERVICE

for sterling-denominated paper at maturities of between 5 to 10

Yesterday's £100m 10-year deal came to the market at a margin of around 108 basis points over comparable UK government securities, representing a fair premium over several similar 10-year deals in the sector, including a 10% per cent issue from Lloyds itself. Gilts dealers said prices of medium-dated maturities eased somewhat towards the close as underwriters sold stock to hedge long positions in the

Sharp falls, particularly at the longer end of the Austra-lian government bond market, lian government bond market, gave rise to some rather favourable swap opportunities which were reportedly behind a new A\$100m two-year deal for Electrolux yesterday which was led by Nomura International. The attractive 14% per cent coupon should guarantee retail investor interest although the bond was launched a little too late in the day to gain an accurate mea-sure of demand.

The peseta market saw new issue yesterday with a Ptalobn seven-year deal for the European Investment Bank. The prime quality of the credit and the rarity of issues in the sector and continued improve ment in international investors' perception of the cur rency should assure high

14/4 Nomura Int.

13/14 B.Esp.Cen.de Credito

2/13 Merrill Lynch

### S&P to develop bond covenants

By Norma Cohen

STANDARD and Poor's, the US bond rating agency, said it was working with the investment community to develop bond covenants that would protect bondholders against event risk a goal that may be impossible Past efforts of this type

have been inadequate and there is no guarantee that airtight, legally enforceable provisions can be devised," it said.

While underwriters have been struggling to come up with language that will offer effective protection to bond investors, issuers have been firmly resisting their use. They argue that the covenants restrict corporate flexibity to such an extent they may not be able to serve shareholders'

One solution under consideration by Standard and Poor's would be a rating system that with strong protection conven-ants and those without it. For instance, special symbols could be devised to enhance existing bond ratings that designate issues with protection against

event risk. Another alternative would be to follow the approach set out a few days ago by Moody's Investors Service which incorporates bondholder protection clauses into the rating itself, thus implying lower bond rat-ings for issues with no investor

protection.

Moody's assigned a rating of
A-2 to a new issue of Harris
Corporation, the US communi-Corporation, the US communications and information equipment group, which carries a clause giving investors a put option at par if certain events occur which result in a downgrading and a drop in price. Other senior debt of Harris carries a lower A.3 rating ries a lower A-3 rating.

Protective clauses would be

those which give investors the right to put the bonds back to the issuer if the company is transformed through such events as takeovers, leveraged buy-outs and recapitalisations.

### Italy to auction eight-year certificate

By John Wyles in Rome THE Italian Treasury is to month a new eight-year certificate with a cash-in option after

four years. The issue, for the modest and, therefore, experimental sum of L1,500bn (\$1.17bn), is the first of its kind specifically designed to lengthen maturities on the Government's debt while offering some insurance against fears of renewed infla-

The certificate is priced at a discount to par of L5 to yield net of tax 10.07 per cent for the full term and 10.67 per cent for early redemption. The Trea-sury will be using the auction system introduced last week for an issue of five-year notes which assigns the securities to the highest bidders on terms proposed by the marginal bid-der.

Steadily growing investor confidence in the stability of the current inflation rate has strengthened demand for longer term issues. The five-year note issue for L3,500hn was 2.4 times oversubscribed and produced a yield of 11.4 per cent net of tax. Mr Giuliano Amato, the

Treasury Minister, set up a special committee of independent experts in the summer to advise him on possible new debt instruments as part of a strategy for developing a debt management policy. If the latest innovation is well received, he may consider introducing indexed bonds in the coming

The Government's outstanding debt maturities were steadily shortening until the autumn when, among other things, the Government's 1969 budget proposals lent some credibility to its strategy for halting the increase in the debt by 1993.

### Fujian to borrow \$50m

HONG Kong's Fujian Enterprises plans to borrow US\$50m through a five-year, floating-rate syndicated loan, a banker said yesterday, reports AP-DJ.

The banker, who asked not to be identified, said the annual interest rate on the loan would float at 35 basis points over the London interbank offered rate. The repay-

ment onered rate. The repayment schedule includes a two-year grace period.

The Hong Kong branch of Japan's Mitsubishi Bank has put together a group of 10 Jap-anese banks to provide the loan, which is expected to be signed on December 20

signed on December 30.
According to the banker,
Fujian Enterprises, which is
controlled by China's Fujian
province, will use the proceeds
for general working capital.

coupon coupon or the Bonds: Denominated in dollars unless otherwise indicated. Chy, day = Changs on day. Car date = First date of conversion into shares. Car, price = Nominal amount of bond per share screened recurrency of share at conversion rate fixed at Issue. Prem = Percentage premions of the currentificative syring of acquiring shares via the bond over the most recast price of the stares.

Reproduction in whole or in part in any form not permitted without written to the supplied by DATASTREAM International



200 #100 #1 100 #1 \*\* 01 #1 \*\* 01 \*\* BP Capital 93, 93 £
British Alivary 10 98 £
Buhrnam-Tet. 6 4, 93 F1
C.J. B.C. Mort 10 4, 93 F2
Comp. Bt. August 124, 93 AS
Coop. Cir. Rabo. 6 4, 93 F1
Dent. Bt. Amx. 124, 93 AS
Eastman Kodak 13 90 AS
Eat. B. 7 90 LF7
Elec. France 10 4, 95 CS
Einaton 7 4, 97 ECU
Fed. Bus. 0 v. Bic. 94, 92 CS
Ford Cr. Can. 10 4, 93 CS
Elliette Can. 9 4, 93 SE
E. M. A.C. 9 4, 93 CS
CM. A.C. 9 4, 93 CS E.I.B. 7½ 93.
E.I.B. 9½ 97.
E.I.B. 7½ 93.
E.I.B. 9½ 97.
Elec. De France 9 98.
Finland 7½ 97.
Finland 7½ 93.
Finn. Exp. Cd. 8½ 92.
Ford Motor Credit 8 91.
Gen Elec Credit 10½ 00.
Gen. Mtrs. Corp. 9½ 92.
Hallifax RS 9½ 93.
Italy 9 90.
L.T.C. 8 of Japan 8 91.
L.T.C. 8 of Japan 8 97.
Mercots-Berz Cd. 8½ 95.
Metropolis Tokyn 9½ 93.
Morgan Gsaranty Tst. 7 90.
Norway 8½ 93.
Pepsion inc 7½ 93.
Portugal 8½ 91.
Prudential Crp. 8½ 94. G. M. A.C. 94, 93 CS.
G. M. A.C. 94, 92 CS.
G. M. A. C. Aux. Flo. 14 90 AS.
Halffax ES 10% 97 E.
Harp Chem Inds 10 03 E.
Hary Half 10 10 SE.
Halffax Bank 10 4, 98 E.
Montreal Tst. 10 4, 93 CS.
Nat. West. Bk. 13 4, 92 AS.
Nationwide BS 10 1, 93 E.
Ned. Midd, Bank 6, 92 Fl.
More Zeal 2016 Prudential Crp. 8 t 94...... Qantas Alreays 10 t 93.... Rep. of Haly 9 t 95.... Saskatchevas 10 t 92.... State 8k 5 Ares 0 t 92.... Ned, Midd, Bank 6 92 FL
New Zealand 912 93 E.
New Zealand 713 93 ECU.
Oesters, Kübk. 1313 94 AS.
Phillips Gleell. 6 93 FL
Prudential Fin. 913 07 E.
Royal 8k. Scort. 10 13 98 E.
Saskatchewan 978 91 CS.
S.O.R. 713 95 ECU.
World Bank 1313 92 RS.
Zentrapk, 1314 93 AS. FLOATING RATE I.B. 6 ½ 9b.
I.B. 6 ½ 97.
I.B. 6 ½ 98.
I.B. On day +0.00 on week 0.00

Cor. Cor.

Carle price Bid Offer

18/87 62. 102. 103.

17/86 32.25 102. 103.

18/87 967. 151.

18/87 967. 151.

18/87 967. 151.

18/87 977. 151.

18/87 100. 904. 914.

4/87 200. 904. 914.

5/84 100. 279. 260.

6/87 6.72 1014. 1024.

6/87 6.72 1014. 1024.

18/87 9/87 6/12. 79 80

2/86 1004. 973. 983.

18/87 1157. 141 1424.

11/87 4.3 180 101.

4/87 304. 1165. 1074.

4/87 305. 1974. 188.

4/87 6/5. 6/4. 6/4.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4. 1165.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4.

1/87 5. 3/4. City. Press
2 +0% 19.87
2 +0% 19.87
2 -1½ -1.25
3 +0% 18.32
4 +0% 10.67
4 +0% 10.67
4 +0% 10.67
4 +0% 10.67
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 +0% 13.8
4 CONVEXTIBLE Alcoz 64, 02 US...... Alco Health 64, 01 US. Royal Insurance 5½ 93.... Royal Insurance 5½ 92.... Soc Cent Nuclear 7¼ 95... Turkey 6½ 95... Westlb. Finance 5 93... World BK. 6½ 97... MCA Inc 5°2 Q2 US.
Minota Canera 24, 9400
Minota Canera 24, 9400
Minotabishi Bk. 1 4, Q2 US.
Missai Trust 2°1, Q1 US.
Missai Rips. Bk. 27, Q1 US.
Owner Tainer 2°5, Q2 US.
Primetes 5°4 Q2 US.
Primetes 5°4 Q2 US.
Redied 7°4, Q2 E.
Sauchil-Scrii SA 10°5 E.
Tense Inc. 21, Q2 US. SWISS FRANC STRAIGHTS
African Dev. Bk. 5 96.
African 503.
B F.C.E. 41; 90...... B.M.W.Flux CIR. Int. W/W 393 Credit Lymanic 45 E.1.845, 98......

### INTERNATIONAL CAPITAL MARKETS

# Bonn warning on Luxembourg

By David Marsh in Bonn

OD

nants

Martin and be a second of the control of the contro

Collection Const.

..... Jaille es

of the parties

a prep E

The best

Some with the street

TO COME

OF THE REAL

in a m

E E

and drawing

1. 以此题

.. 00 10000

47 372 E

Acres to the letter

يتصفق الما

to auctie

icate

Wylne r R:

100

a gangeli Line in the

(s)

ا ا المراجعة المرجعة

m to

MR GERHARD Stoltenberg, the Bonn Finance Minister, yesterday warned West Ger-man investors ploughing funds into Luxembourg that tax-free status for investments in the Grand Duchy would not last

In a parliamentary debate on the 1989 hudget, Mr Stoften-berg said an European Commision initiative outlined this summer to bring in an EC-wide tax on investment capital meant that "the road to Lux-

come to an end."
West German banks have been stepping up promotion of tax-free investments in bonds and deposits in the Grand Duchy since Bonn decided to bring in from next year a 10-per cent withholding tax on such investments in West Ger-

many. Switching by domestic investors from savings accounts and placements within West Germany to Luxembourg-based meant that "the road to Lux-investments has been one of embourg will very quickly the factors sparking large

flows of capital from West Germany this year. Although long-term capital outflows fell in September to DM3.5bn (\$2.04bn) from DM5.9bn in August, long-term outflows in the first nine months of the year came to DM67bn, according to Bundesbank figures.
BC finance ministers agreed June to make a decision in

Luxembourg soon to bring in itself a 10 per cent withholding tax or some other form of levy.

The EC move on harmonisation of taxes on capital earnings, decided as part of efforts to bring an end to capital controls throughout the Community, reflected above all the French Government's desire to cut down on tendencies for cut down on tendencies for capital flight from France. Brussels is due to make a proposal before the end of the

### the first half of next year on ending disparities on taxation of savings throughout the Community. Mr Stoltenberg believes this is likely to force year on uniform rules for taxa-tion of capital earnings. Brazil's controversial sun king

John Barham on little-loyed speculator Naji Robert Nahas

aji Robert Nahas is Brazil's best known, if least loved investor. His controversial tactics have won him the unswerving enmity of many investors and the suspicions, it often seems, of the entire nation.

Mr Nahas is despised by

many as a speculator, even though speculation has become a way of life for the monied classes, as inflation approaches 1,000 per cent a year. Last month, for instance, a

suspicious press immediately singled out Mr Nahas as the main beneficiary of a sudden rise in interest rates. Without warning, the central bank took rates to 50 per cent a month to hold inflation down. Stock markets fell 6 per cent in one day. Congress demanded an explanation from Mr Elmo Camoes, the central bank pres-ident, a former associate of Mr Nahas.

Nahas.

However, not even Mr
Eduardo da Rocha Azevedo,
the Sao Paulo Stock Exchange's president and a bit-ter enemy of Mr Nahas, could find any evidence that he or anyone else, had advance knowledge of, or had benefited from, the interest rate

Mr Nahas, 43, emigrated

from Lebanon 18 years ago. For all his wealth, considerable charm and his success as an investor, he is still an outsider, even in a society that admires the accumulation of riches. The inner workings of Mr Nahas's business are notoriously difficult to probe. One investor said. "He is a cold, the scale of his investme cerebral player who hides his that make Mr Nahas so dang game well. You will never ous an adversary.

know what he's doing."

One foreign banker refused to do business with Mr Nahas because he would not reveal because he would not reveal his net worth. Another investor said: "He is utterly amoral." The banker, however, says Mr Nahas is no tropical Gekko. "He takes buge risks and is always pushing the limits of legality, but he has never knowingly crossed, the lime."

Mr Nahas built up his wealth on the back, of convantional

on the back of convantional businesses. He owns 25 compamies, including a major insurance group, the world's biggest rabbit farm and property devel-opments. But he became noto-rious for his pyrotechnic deals on the stock and options mar-

The son of a wealthy Lebanese family in Cairo, Mr Nahas learned to play the markets young. He first became enchanted by Cairo's cotton futures market. Speaking in a soft voice. Mr Nahas said: "As a boy I liked the markets."

After Colonel Abdel Gamal Nasser nationalised the Nahas family's textile business in 1962, they fled to Lebanon. In Beirut, as a young business administration student, Nahas played the gold and foreign exchange markets. He married a Brazilian woman of Lebanese descent, When tension in Lebanon began to rise, Mr Nahas left for Brazil.

The labyrinthine strategies and the whiff of Levantine intrigue Mr Nahas brought to Brazil's small, gregarions financial markets still unnerves the unwary. But it is the scale of his investments that make Mr Nahas so danger-

His small office in Sao Pan lo's business district is clut-tered with expensive bric a brac, telephones and terminals. The permanently shuttered windows enclose him in a dim. scented corner seemingly transplanted from the Middle

He maintains close ties with the Middle East. Many of his business partners are based in the region and he still has family in Beirut. Outside Brazil, he is best known for his associa-tion with the recently bankrupted Hunt brothers, Nelson and William. As well as shar-ing their passion for race-horses, Mr Nahas joined their bid to corner the silver market. The corner backfired and, it is said, almost ruined him.

In Brazil, though, Mr Nahas continued trying to corner markets whenever he got the chance. He has built up what brokers say is the largest private stake in Petrobras, the national oil company. Since only voting stock need be declared, it is impossible to tell how much of Petrobras Mr Nahas really holds.

He has used his strength in Petrobras and a few other stocks to rule the options market. It is a risky gama ba plays with consummate, ruthless skill

In April, he fell ont with Azevedo, once a close friend, over his heavy concentration in the share options market. The stock exchange says he held 70 per cent of the market and ordered him to make a 15 per cent deposit to guarantee payment. In effect, it thwarted a possible Nahas corner.

Outraged, Mr Nahas said the measure was aimed directly at him. The Securities Commission struck down the exchange's decision, but later introduced measures to curb large concentrations in options.

The Brazilian capital markets are still relatively narrow The Sao Paulo exchange has an average daily trading vol-ume of about \$40m and e mar-ket capitalisation of \$30bn. But turbulence on the options mar-ket does feed back into the stock market.

In February, the options market raised the Sao Paulo Bovespa index up 1.3 per cent in one day. Petrobras, one of the 10 most traded shares, rose 7 per cent. Critics say brokers and investors fuel the markets' volatility with haseless rumours of price freezes, cahi-net reshuffles and aven miltary coups.

Mr Nahas denies that individual players can manipulate the market, a charge often lev-elled at him. "All markets in the world can swing a lot, young markets included, hut no one is bigger than the mar-

Like most Brazilians, Mr Nahas is concerned about the economy's stability. He said: "Hyperinflation will destroy the stock market." For the time being, Nahas insists he is staying out of the market and concentrating on more solid ventures. He has teamed np with foreign investors he refuses to identify to search for gold in the Amazon.

### Soviet bank signs first short CD plan

By Norma Cohen

VNESHECONOMBANK, the Soviet Bank for Foreign Eco-nomic Affairs, bas signed a \$250m Eurocommercial paper and certificate of deposit pro-gramme, its first short-term borrowing programme and its first in dollars.

The move is seen as one

The move is seen as one more sign of its growing international acceptance. While Vnesheconombank has periodically funded itself short-term in the CD market or through interbenk lines, this is its first effort at establishing a permanent source of funding through Western institutions. through Western institutions. Its securities carry no credit

ratings.
Vnesheconombank, formed at the start of this year as the successor to the Soviet Bank for Foreign Trade, has tapped the Euromarkets twice this year for medium-term funds, once in Swiss francs and once in D-Marks.

All-in costs to the borrower were about 10 to 20 basis points over London interbank offered rates, slightly above that charged to other sover-

No paper has actually been issued under the short-term borrowing programme, although the arranger, County NatWest, said Vnesbeconombank should expect to pay rates around Libor — somewhat above the rate charged to other state-award hanks other state-owned banks. County NatWest, which is

also a dealer for the pro-gramme, said it expects the paper to be placed in central Europe and while initial buy-ers will be banks, its sales effort will be aimed at corporate treasurers. Other dealers on the pro-

gramme are Kansallis-Osake Pankki and Swiss Bank Corpo-ration Investment Banking.

The four major Soviet banks are becoming increasingly Western in their financing techniques and in their operations and Vnesheconom-bank is the most sophisticated of all. It has a foreign branch located in Znrich and is responsible for financing all

Soviet foreign trade. All its assets and reserves are denominated in roubles, a non-convertible currency.

# Treasuries little changed before Thanksgiving Day

quoted unchanged to slightly lower at mid-session yesterday in quiet trading before today's Thanksgiving Day market clo-

The Treasury's new bench-mark long bond was quoted unchanged for a yield of 9.11 per cent

The only major piece of news yesterday was the release of US durable goods orders for October which had little impact. Orders were up 2.4 per cent but this rise was mostly due to defence orders. Without these, orders were down 0.2 per cent last month. The other market focus was

the meeting of the Organisa-tion of Petroleum Exporting Countries in Vienna amid talk thet an agreement is close which would set a production ceiling of 18.5m barrels a day. Crude oil prices jumped but this also had little effect on bood prices in quiet pre-holiday trading.

day trading.

The dollar, a major drag on bond prices over the last few weeks, traded in e narrow

range yesterday, giving little direction to bonds.

Fed funds traded at 8% per cent yesterday and the US Federal Reserve did not operate in the money market. Analysts at Griggs & Santow suggested that funds will trade higher tomorrow given that the Fed has to add a substantial amount of liquidity to the market. There is still no clear signal on any change in monetary

UK GOVERNMENT conventional bond prices closed slightly lower after a day of largely sluggish and unevent-ful trading. The sole spot of ectivity concerned the Treasury's 10½ per cent stock due 1997, used as a benchmark for a 10-year Eurosterling issue for Lloyds Bank. Lead underwriter for the Enrobond, Merrill Lynch, is said to have heavily sold that security sbort in order to hedge its underwriting

As a result, that stock dropped more than % point before recovering slightly, whila other gilt-edged issues slipped a more modest &.
The dollar's renewed fall in the absence of concerted cen-

US TREASURY bonds ware tral bank intervention had a sobering effect on the gilts markets which bave a psychological tie to tha US bond mar-

Also, dealers are bracing for UK October trade data due to be released tomorrow, expected to show a current account defi-

cit of over £1bn.

In the index-linked sector, prices showed a reverse trend with the 2% per cent stock due 2024 up as much as \$\frac{1}{2}\$. Dealers, citing market talk, said that a recent switch out of that sector are the sector of the the and into equities has been partially reversed.

#### GOVERNMENT BONDS

AUSTRALIAN long-term gov-ernment bond prices fell sharply amid growing concerns thet the key rediscount rate, now et 14.9 per cent, will be raised above 15 per cent tomor-

Although Australia's Treasurer Paul Keating earlier this week reiterated his view that monetary policy is sufficiently tight, dealers are sceptical. There has been little sign that high rates are choking off demand. If September retail sales data to be released today do not show abating demand, odds favour an increase in the odds favour an increase in the rediscount rate.

But the sharp rise in long-term rates reflects so-called "negative carry" associated with a downward sloping yield curve. Dealers must finance their heldings of hands finance their boldings of bonds with short-term rates of ebout 15 per cent while eerning

yields of about 12.29 per cent on benchmark 10-year bonds. While negative carry bas been a feature of the Austra-lian bood marker for months. dealers have been able to com-pensate for financing losses with hefty capital gains. But now, chances of a further drop in long-term rates look slim. and investors are betting that

the capital gains are over. The drop in bond prices took the benchmark 12½ per cent bonds due 1998 to a closing yield of 12.29 per cent from 12.21 per cent at the previous close. Dealers at Westpac esti-mated that an investor holding A\$100m of that bond would lose about A\$250,000 financing a position, even with the rela-tively high rate of interest.

THE DANISH government bond market rose modestly, just enough to send bond prices up to maich the 30-month high set just two months ago.
Since the start of the year,

the yield on the benchmark 9 per cent mortgage bond due 2006 has fallen to 10.13 per cent from 11.70 per cent at the start of 1988.

The sharp gains in the country's bond market have ettracted increasing numbers of foreign investors, particularly West Germans, whose bond yields have remained roughly stable for most of 1988. Analysts at Brancor Securities. a Danish stockbroking firm, estimate that 85 per cent of all the country's government bonds are held by foreigners.

### BENCHMARK GOVERNMENT BONDS

		Coupon	Red Dete	Price	Changa	Yield	<b>Week</b>	Month
UK GILTS		13.500	9/92	109-10	-5/32	10.47	30,41	30.11
		2.750	9/97	93-05	-9/32	9.93	9.88	9 65
		9.000	10/08	98-31	-5/32	9.11	9.12	9 84
US TREA	SURY	8.875	11/98	98-22	-1/32	9.08	8.98	2.61
		9.000	11/18	98-28	+ 2/32	9 11	9.02	8.87
JAPAN	No 105	5.000	12/97	103.0243	+0.132	4.53	4.59	4.68
	No 2	5.700	3/07	108.5637	+0.210	4.82	4.87	5.02
GERMAN	Y	6,750	8/98	102,6500	-0.025	6.40	6.36	6 40
FRANCE	BTAN	8.000	10/93	97,8403	+0.096	8.55	8.56	8.58
	DAT	9.500	5/98	104,4250	+0.125	S.77	8.86	8.87
CANAOA	•	10,250	12/98	101.0000	-0.125	10.09	10,13	9.77
NETHERL	AND\$	6.7500	10/98	102,5700	-0.030	6.46	6.47	6.30
AUSTRALIA		12.500	1/96	101,1973	-0.328	12.27	11,98	11.74

Prices: US, UK in 32nds., others in decime Technical Data/ATI AS Price Soutes

### CONTRACTOR STATE FT-ACTUARIES SHARE INDICES

and the state of t

	EQUITY GROUPS	W	ednesd	ay Nov	ember	88	Yes Nov 22	Moq Nov 21	Fri Nov 18	Year ago (approx)	
F	& SUB-SECTIONS  Igures In parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield % (Max.)	Gross Olv. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1988 to date	ladez No.	Index No.	Index No.	index No.
	CAPITAL GOODS (209)	\$19.07 1016.14	+8.4 -8.2	10.79 12.35	4.14	11.46 9.97	23.79 28.90		813.37 1013.33	819.30 1022.83	
F	Contracting, Construction (38)	2440.04	+0.5	- 12.45 8.81	4.63	19.47 13.72			1557.74 2414.83	1567.46 2413.66	
	5 Electronics (30)	1798.83	+9.5	~ 9.55	- 3:50	12.99	43.21		1785.10		1463.75
- 3	Mechanical Engineering (56)	431.05		10.35		11.86	13.34	429.84	427.55	431.42	328.72
	Metals and Metal Forming (7)		-0.2 +0.7	9.60	3.87 4.79	. 12.88 9.58	13.09	. 507,44 279,27	506.94 279.89	519.86 283.82	392.94 239.54
1	7   100 CLO 3 CACO allillar 1 cal la lillar i com 1 callo		48.9	9.72	4.50	12.15	44.87	1352.41	1346.55		
2	CONSUMER GROUP (187)	1874.68	140.8	9.46	3.78	13.28	25.83	1965.14	1060.55		977.83
2	Brewers and Oistillers (21)	11347.18	+83	·· 10.41		12.69	23:01		2140,48		
2			+8.5	- 9.19	3.94	13.76	22,16	957.45	955.07	958.60	779.32
. 2	Food Retailing (16)	1861 64	+1.3	7.35 7.24	3.63 2.72	24.11 15.86	43,14	1857.63	1849.78		1788.50
2	311 elgue (33)	11428.98	40.6	. 434	- 3.68	15.36	33.98		1417.18		1837.52
3	Packaging & Paper (17) Publishing & Printing (19) Stores (34)	554.46	+1.2	10.13	4.05	12.28	15.75	547.99	546.31	545.19	455.98
. 3	Publishing & Printing (19)	3461.15	10.4	2.69	4.16	14.35	204.29	3448.00	3449.39		
3	Stores (34)	746,49	+1.8	11.38	4.56	11.55	21.82		725.63	731.06	818.36
- 33	Textiles (16)	J 509L861		13.90	5.55	8.45	16.19	502.63 905.82	499.51	583.26	557.54
.4	Agencies (19)	724.61	+0.5	11.26 8.26	4.52	15.23	23.27	1868.71	904,28 1869,51	910.22	894,65 953,71
4	Chemicals (22)	1642.62	+0.1	12.23	5.85	9.82	37.98	1841.90	1037.70	1039.72	970.60
4	Chemicals (22) Conglomerates (12)	1272.77	+1.8	10.31	4.47	11.07	25.26	1249.91	1246.13		1081.38
4	Shipping and Transport (12),	1955.59	41.2	. 11.43	4.86	11.44	50,63	1932.70	1930,99	1947.53	1668.35
47	Telephone Networks (2)	796.88	+9.7	21.79	4.72	11.62	28.38	987.24	992.85	1002.90	861.89
41		1223.68	+0.4	11.63	4.46	. 9.79	38.27	1215.22	1217,82	1221.99	1111.39
49	INDUSTRIAL GROUP (486)	978.30	+4.7	10.31	4.26	12.03	25.28		968.62	973.94	257.74
		1734.04	+1.5	10-68	. 6.45	11,99	76.79		1708.16		1554.70
_59	500 SHARE INDEX (500)	1642.73	- +0.7	19.36	4.41	12.03	29.60	1835.68	1031.71	1838.14	920,21
6.	FINANCIAL GROUP (124)	699.68	+1.4		5.86		24.76	690.61	683.23	686.18	600.16
6	Ranks (8)	683353 755.28	+8.8	20.53	6.51	- 6.53	31.13	-678.31	667.74	671.01	611.92
- 6	Insurance (Life) (8)	517.38	+0.3	_	5.56 - 6.85	-, <u>-</u> -,2	39.81 24.84	.952.81 515.50	933.88	944.77 515.15	885.86 475.41
67	Insurance (Composite) (7)	905.03	+1.2	7.69	7.14	12.83	45.06	874.47	886.43	896.44	782.56
6	Merchant Banks (11)	336.47	10.2		4.37		9.20	335,78	. 339,29	339.74	328.73
69		1318.34	+3.8	5.30	2.54	24.12	19.32	1269.50	1242,21	1261.38	993.91
- 70	Other Financial (31)	361.30	. 40.3	9.87	5,43	12.61	73.64	369.06	359.44	359.80	369.40
73	Investment Trusts (76)	133.31	10.4	5 17.	. ( 3.77	77.4	18.15	929.77	.929.08	929.91	785.71
. 83	.i Mining Finance (2)	569.23	. 4.1	18.74	3.67	10.38	15.67	569.97	569,23	570.11	412.78
	Uverseas Tragers (d/	1304.12	15. 4.2	9.30	4.57	13.56	44.98	1387.70		1426.93	886.79
	ALL-SHARE INDEX (719)	957.58	+8.8	· = .	4,45	· · ·	27.96	958.37	945.99	951.59	234.25
		Ho.	Day's Chance	Day's High (a)	Day's Low (b)	Nov 22	Nev 21	IS	Hov	Nov 16	Year ago
_	FT-SE 100 SHARE INDEX			1838.5			1871.1	1823.4		1807.3	
	िस्तर है। उस स्वीत अर्थन के							- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			
	2.34 (2.35)								<b>.</b> ' . · ·		
			- 5-					-			
		100	* *, * **		· . · · · ·		•				

	FIX	ED I	NTE	RES	-5 mily 1939		REDEMPTION YIELDS NOV NOV a	ear igo prox.)
	PRICE ONDICES	Wed Nov 23	Day's change %	Tue Nov 22	ad adj.		2 Coupons 25 years 9.38 9.35 9	8.55 9.25 9.15
			-0.01 -0:17			19.20 11.64	4 Meskur 5 years 10.32 10.28 5 5 Coupoes 15 years 9.61 9.52 6 9.21	9.20 9.46 9.36
3	Over 15 years: Irredeemables	147.62	-0.20 -0.08	147.92 171.01		13.10 13.38 11.43	6 Coupons 15 years 9.73 9.78 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	9.25 9.59 9.38 8.99
6	Index-Liphyd 5 years	130.47	+8.15		1	1.81	Index-Linked	2.78 3.90
			+0.27 +0.26			25 10 1	14 Inflation cate 10% Over 5 yrs 3.53 3.54 3 1.5 Dels & 5 years 11.91 11.30 10	2.97 3.95 0.66
-	Bebenberes & Laine Preference	117.92 87.11	<del></del>		. ¥ ⊹ — : •	10.53 6.03	17 25 years 16,78 10.78 10	8.62 0.62 0.62

LONDON MARKET STATISTICS.... RISES AND FALLS YESTERDAY 

**LONDON RECENT ISSUES** 

EQUITIES													
Inne Price	Among Pali	Latest Remote Galle	196 10ga	j i	Stack	Closing Price		Bet. Dis.	Times		P.E. Natio		
920 920 920 920 920 930 930 930 930 930 930 930 930 930 93	F.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P	25/11 16/11 25/11	7 2 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	8138 13 8 13 8 13 13 13 13 13 14 14 15 15 15 15 15 15 15 15 15 15 15 15 15	Amalgamated Fla. Wriets. Adjoids Watch Prods. 3p BTR Warrants Flat Warrants Flat Warrants Flat Warrants Flat Warrants Flat Warrants Flat Warrants Aleys Group 5p Lon & O'Sea Frus '8' PMA Mehrille Group 10p Mer Zaland inv. 1st. Portmehrico Pots, Hisgs 5p, Razal Telecont 5p Raistos breestweet Tys. BARNA Group 10p SMAC Group SSWP Group Salatad 5p Sywallowfield 5p Whitespate Leioure Z0p Whitespate Leioure Z0p Whitespate Leioure Z0p Warrant Z0p Warrants Do. Warrants	**************************************	+7 -1 -1	80.45 83.5 84.2 (4.2 64.0 84.3 81.25 82.4 85.0	30 25	2.3 4.5 2.9 4.6 3.2 2.9 2.9 2.9 2.9 2.9 2.9 2.9 2.9 2.9 2	17.5 11.8 11.7 11.9 14.5 16.4 115.0 16.8 10.7		

٠.	FIAED INTERIEST STOCKS												
lissue . Price	Amount. Paid	Latest. Reman:	. 19	68	Stock	Closing Price	+ 01						
£	<b>**</b>	Date	High	, Low		3	-						
100p 100g 100d 100d 100d 100p 100p 110p 110p 110p		28110 31/1 20/1	960 100 Lp 103 L 103 Lp 103 Lp 103 Lp 1159 980 1100 960 1100 960 1100 1100 1100 1100	939 1009 1034 1009 1039 30 1039 934 934 935 1040 94 659 1059	AMEC New John Bled Crit Dr. Re Pf 509 Arhmston Se. 49 pc Cn. Rel. Pf. 2008 Blackwood Hodge Ppc Cm. Pf. 52 Blackwood Hodge Ppc Cm. Pf. 53 Coloroli Grip 9pc Cm. Rd Ppf 2005 100 Est & Gen Gen (Sele) Cm. Or Rd Ppf 51 Est & Gen Gen (Sele) Cm. Or Rd Ppf 51 Est & Gen Gen (Sele) Cm. Rd Ppf 50 Est & Gen Gen (Sele) Cm. Rd Ppf 50 Est & Gen Gen (Sele) Cm. Rd Ppf 50 Est & Gen Ch. Pf. 50 Blecze Lebiene Cm. 7, 72 pp 197 Blecze Lebiene Cm. Rd Ppf 50 Blecz	10 00 00 00 00 00 00 00 00 00 00 00 00 0	+3 +2 +10						
-		٠.	RI	GHT	OFFERS								

Prece	L Page	MENTAL	_		7 200CK	SALES	
,	ap .	Date	High	Line		P	Ľ
155 99 100 215 175 175 175 175 175 175 175 175 175 1	发生	22/12 38/12 25/12 24/11	30om 4pm 27pm 80pm 48pm 20om 28pm 9pa 6pm	17pm 65pm 23½ pm 18pm 25pm 7pm	Britamia See Group 10g Goal Petrolesia Sp Howden Group Portlina Letare 10p Portlina Letare 10p Portly Pech Int' 1.0g Gastran Group 10b Ratteres Group 10b Ratteres Group 10b Ratter State 10c Roat Pech 10c Roat Pec	23pm 4pp 27pm 70pm 2312pm 231pm 25pm 7pp 4pm	かなれ おなみ
cover based of Forecast, or lividend, cover; for exclanates for annualissed of annualissed	on dividen restinate rer and pic r 1988_N thidens.co	d on tail c d annualls e based on Obvident a over and of	apital.g As ad Elvidend latest anno nd yield bas e ratio base	iumed divid i rate, com rat enrologo red on prosp d on prospe d on prospe	estimates d Divisiond rate paid or payable land and yields. Divisiond and yield exclude it based on previous year's earnings. L Est SM Divisiond and yield based on Prospects section or other official estimates. W Pro Forn a "rispise". Introduction. SPlacking prior, it a "rispise". Introduction. SPlacking prior, it	special payr imated aon 5 or other o O Gross, R Fi aa Ngures, T	ment. aniist officia orecat r issue

	TRADITION	AL OPTIONS
<ul> <li>First Dealings</li> <li>Last Dealings</li> </ul>	Nov 21 Dec 2	Beers, Lloyds, pine, Munton,

<ul> <li>For settlement</li> </ul>	
For rate indications see	end (
London Share Service	
Calls in Normans Grp. \	<b>7icker</b>
CityVision, Si Group, P	
Aviva, Nares, Store	house
Hyman, Control Secs, Bu	

pine, Munton, French Conf Courtaulds, Costs Viyella, TACE, Pantland, T & N, H Prec, Kalon, Ward Hidgs, Sh Ramar, Walker Greenbank, Wim-pey, J. Porter, Tubular Exhib, Morgen Grenfell. Puls in Chlo-

Closing

• •															- 1	•
_	1				LO	ND	ON	TRA	DED OP	TIO	NS		_			
me 15 41				CALLS			PUTS		-		L	CALLS			PUTS	_
62 73	Option Allied Lyons	460	Jan 30	Apr 45	Jul 57	Jan 14 37	Apr 24	Jul 32 52	Option	200	Nov.	Feb.	May 37	Nov.	Feb.	May
57 13	8rit, Airways	500 140	12 21 7	25	38	37 2 8	45		Plessey (*222 )	200 220 240	=	30 171 <sub>2</sub> 9	37 24 15	<u> </u>	멾	蟾
10 1B	8rit. & Comm.	200		12½ 40	18	3	4	13	Prodential (*153 )	150 160	412	i i	10	8 g	10	13
89	(*231.)	220 240	35 17 7	24 13	28 18	18	10 20	13 24	Racal (*285 1	280 300	S	25 16	35 26	16	2%	19 32
٠.	. (*247 1	240 260	15	1712	15	1412	23	涉	R.T.Z. (*444 1	420 460	27	47 25	61 35	17	30	18 35
_	Bass (*798) Cable & Wire	750 800	57 25 23	45	102 70	35 35	18 37	42	Vaal Reefs (*\$69 1	60 70	912	14 64	16	1,2	8	5 10
_	Cors. Gold	360 390	S	36 21	30	33	20 36	22 42	Option Amstrad	160	Dec 19	Mar	Jun	Dec	Mar	Jun
<u> </u>	(*1201)	1200 1250 1300	80 60 40	130 110 90		70 100 135	接	105	C*174 1 Barclays	180	16	16 27	22 33	10	15 20	19
.E.	Coortanids (*276.)	260 280 300	22 11	32 20	37 26 18	1512	17 29	14	I°421 ) Bipe Circle	429	28	46	52	15	13	-
 is	Com. Valon	300	37	45	48	3	9	37 12	01x0es	140		24	30 24	26	30	18 36
i.B	("328 ) 6.K.N.	330 300 330	30 12	38 18	27	34	10 23	25	Glaxo	1050	11 <sub>2</sub>	103	135	16	18 37	10 22
-	Grand Met.	454	23	31	27	14	23	23	(*1077) Hawker Sidd	1100 550	24 18	75	105	37 15	57 22	45 65
<u>L</u> 7	(*456 )	1000	48 24	45	95 70	21	43 70	29	(*554 1 Hillsdown	600	14	18	322	2	55	30 62
L9	(*1010) Jaquar (*271 1	1050 260 280	24 22 10	28½ 17	70 40 28	45	70 14 25	47 74 20 30	(°267 )	260 280 390	312	24 13	29 17	15	17 41	10 22 48
15 15	Land Securities	500 550	117 70		-	16		-	Midland Bk	420 360	22 11 57	28	56 39	19 39 11 <sub>2</sub>	62	66
1.9 5.0	(%09)	600	26	132 87 50	97 65	16	20	32	(*413 1	390 420	28	42	48 32	14	19	12 28
.7 1.7	Marks & Spencer (°156 )	140 160 180	20	25 11 54	28 14 8	72	35 27 27	13	Sears (*131 1	130 140	712	14 10	19	13 2	10 16	12 h
<u> </u>	STE (*275 1	260	26 13	34 21 13	42	5	S	12 19	Trusthouse Forte (*268	260 280	15	25 151 <sub>2</sub>	36 25	16 b12	15 28	20 31
	Salinsbury	280 300	6	13	30 21	14 27	16 27	. 30	Thorn EMI (°672 1	650 700	33	55 28	74 42	35	17 43	25 55
_	(*209 ) Shell Trans.	200 220 950 1000	6.	11	28 17	13	16	19	Wellcome (*465 )	460 500	18,	40 20	53 34	13 38	22 45	26 49
	(*989 )	1050	57 35 15	85 50 28	100 70 47	10 28 63	27 52 85	30 55 85	Option Boots	220	Dec	Apr .	Jul 33	Dec 5	Apr 10	Jul 14
_	Storehouse (*216.)	200 220	24 17	35 26	42 30	12 24	19 28	19 31	(*229 )	240	Š	16	32 21	18	21	24
	Trafalgar House (*324 1	280 300 330	27	SYK	40	2 6 20	10 24	13 20	Option		J\$n	Mar	Jun	Jan	Mar	Jun
2	Utd_Biscreits (*301.)	300 330	20	30 18	39 26	15	19 36	25	British Gas (*163 1	180	6,5	10½ 34	14,	21	212	22 22
3	Ultramar (*249 1	235 240 255	27	34	42	8	16	24	Option		Nov	Jan 1		Nov }	Jan	
ı	Woolworth	240	30 13	37	45 28	19 25	27 S		RHM (*365 1	360	36	43	-	1 26	15	Ξ
2 1	(*264 )	280 280	S	7723	28 16	21	12 24	10 17 28			•				т	
	Option	-	Jan !	Apr	Ang	Jan	Apr	Aug	Optice Beecham	460 500	Dec.	Mar 34 16	Jul 49	De:	Mar 19	Je1 25
10	GEC (*177 )	140 160	42 23	44 25	. 30	1 2	I'z	8	(*467 ) Uniterer (*462 )	460	12	29	29 40	12	20	47 27 50
-		1 180 1	751		18	8 '	1 13	16	1-402 1	) 300 I	2 1	13 1	23 1	45 1	4/ 1	30
_	Option Rolls-Royce	130	Jan 10	Apr 15	Jun 18	Jan	Apr	Jun 9	Option	280	Dec	Mar	May	Oec 3	Mar 6 l <sub>2</sub>	May 91 <sub>5</sub>
•	Rolls-Royce (*234 ) TSB	130 140	14	92	18 13	35	10 to	1 72	(°294 1	280 300	18 6	31 18 16 <sup>1</sup> 2	32 20 194	1	142	18
-	(4775.)	120	22	8½ 4½	17 115 65	10	11/2 11	11 22	(*153 ) Tesco	140 160	114	S4	6	12 2	13 <sup>2</sup> 4	13½ 7
	Option		Nov	Eab	A==				(°137 1	140	4	11	18 12	<u>6</u> J	9 1	11
.	Ladbroke (*455 1	390 420	Nov. 65 35	78 52	Apr.	Nov.	Feb.	Apr.	Option		Nov	مدل	Mar	Nev	Jan	Mar
ı	, 423,	460	ايا	23	31	62	19	8 23	Exterprise Oil	500 550	212	62 35	85 58	25	27 47	37 53
-	Option Brit Aem	460	Nov.	Feb.	May 52	Nov.	Feb.	May	Scot. & Heutastie (*393	390 420 460	2 12 12 12 12 12 12 12 12 12 12 12 12 12	26 12 31 <sub>2</sub>	35 21 12	27 2	15 12	2247
	1*477 1	500 550	14	20 61 <sub>2</sub>	30 14	24 7 74	另	23 44 84			31	221	12 1	٠, .		
	BAA (*278 )	265 280	133	12	22	2 4	11	15	Option Com. 912 % 2005	100	Nov		May	Nov	Feb .!	May
	BAT leds (*445 1	420 460	26,	43 19	5 <u>1</u>	16	6 <sup>1</sup> 2	15 31	(*101 )	102 104	K-K-1	117	-	12	131	-
_	Brit. Telecom (*255.)	240 260	16	22	29 15	64	51 <sub>2</sub>	712	Tr. 12% 1995 (*108.)	106 108	=	-	-		Å	=
_	Cadbury Schweppes (*358 1	330	29	46	55826	1	9	16 30		110	- 1	41	-	20	2많	-
<u>-</u>	Guinness	360 390 330	રુ યુ	27½ 15 20		32 2	21 40	_ 45	Option	Non	_	Jan   Fe	s No	Dec	Jan	Feb
5	(°334 )	360	5 1 22	9	30 14 7S	27	30	15 34	FT-SE 1650 Index 1700 (*1836) 1750	187 137 137 88	199 148 103	203 155 113	65 1	1 3	41 <sub>2</sub> 10	14
yit in,	1*481 1	500 550	1,	58 36 26	35 35	21 71	204375	833	1800	9 41 I	103 60 31	75 8 43 5 24 3	65   1 22   1 5   5	\$15 171 35 70	16 27 47	14 24 37 80
12, 13-	P. & O. (*582 1	550 600	32 15	35 22	65 28	1 20	8 26	17 38	1850 1900 1950	813 112 12	ш	75   8 43   5 24   3 10   1	1 24 0 67 5 11	7 70 7 120	80 121	87 122
Ď,	Pilkington	650 220	1 4	- 16	24	70	-	70	November 23 T	12	- 1	- 1	- 116	71 -	-	

Movember 23 Total Contracts 65,242 Calls 46 405 Puts 18,837 FT-SE Index Calls 8086 Puts 7561 \*\*Underlying security price.

### **UK COMPANY NEWS**

# BAT surprises City with £1.09bn

BAT INDUSTRIES, the tobacco-based multinational overshot most City analysts' expectations by nearly £30m yesterday, with a 13 per cent rise in pre-tax profits to £1.09bn for the nine months to September 30.
The unexpectedly buoyant

performance driven by BAT's cigarette and financial services divisions, masked disappointing results from some of the group's US retailing operations.

BAT's worldwide trading profits from retailing dropped 27 per cent to £40m, mainly hecause of mediocre results from Ivey's, a department store chain, Breuners, BAT's Pacific coast furniture retailer, and Thimhles, its speciality wom-ens fashion shops. Mr Brian Garraway, deputy

chairman, said however that BAT's US retailers deliver most of their profits in the pre-Christmas period, which gets under way after today's Thanksgiving holiday.

THE SLOWDOWN in the

property market, the depressed

summer season for package holidays and the ferry strike

held back the results of Hogg

Rohinson, the travel, transport, financial and property services

It mustered a 18 per cent advance to £9.51m (£8.09m) for

the six months to September

30, on turnover up from £44.28m to £54.44m. However,

earnings per share fell from 10.27p to 8.59p, due to a 40 per cent rise in share capital and a

Mr Brian Perry, chairman, said it was a good achievement, given the problems which were beyond the com-

pany's own making.

However, he was disappointed by the performance of the property division, where the residential market bad

been severely depressed since early September. Given the excellent performance until then, profits had been expected

to be better than the 48 per cent rise to £1.67m (£1.13m). He said the division was now "battening down its hatches" and plans to double the size of

Profit before taxation but after

shareholders

transfers to banking inner reserves

**Earnings attributable to Ordinary** 

Earnings per Ordinary Share actual

Dividends per Ordinary Share

higher tax charge.

By Vanessa Houlder

**BAT Industries** Share price (pence)

in nine month tobacco trading profits to £586m, due to ciga-rette price increases hy Brown & Williamson, BAT's US subsidiary, plus buoyant sales in South America, Japan, Africa

In financial services, BAT achieved a 19 per cent rise in trading profits to £333m, with £232m coming from Eagle Star, UK-based composite

Outside factors hamper Hogg

its network had been post-

The travel division also

failed to live up to expectations

and reported a drop in profits

from £5.83m to £5.95m. Contrary to earlier expectations, there was a 7 per cent decline in bookings for holidays last summer. However, early signs for next summer were encour-

aging, with forward bookings 35 per cent ahead of last year,

increased profits from £1.26m to £1.31m. The flat performance resulted from six-week's dis-

ruption at Continental Cargo

Carriers due to the ferry strike

The financial services divi-

sion made a good start to the year with a 15 per cent increase in profits to £0.91m

(£0.79m), despite costs arising from the financial services and

The interim dividend is 2p

In its brief history as a sepa-

in the spring.

social security acts.

COMMENT

The transport division

insurer.
BAT was coy about the adverse impact on Farmers Group, the Los Angeles-based insurer it is due to acquire hy the end of the year, from Proposition 103, a premium cutting measure passed by California voters this month.

Mr Garraway said: "The deal is still a good one and though Deposition 103; is a disponent.

Proposition 103 is a disappoint-ment it does not change the intent and drive towards the

acquisition."
He said it was quite impossihle to predict the outcome of legal challenges hy insurers against 103. Farmers was con-tinuing in California to offer insurance to "preferred risk" drivers, but was altering underwriting standards to protect existing policyholders, he

COMMENT

Not many people know that 45 per cent of cigarettes imported to China are made by BAT. But assuming the group maintains its recent record of holding or

rate company, Hogg has com-

manded a premium rating thanks to its spread of fashion-

ahle, high-growth businesses.

But - as these results showed - those husinesses have lost

some of their allure. In recent months, the sluggish market has left the property division under a cloud, while the unpre-

dictable nature of the package holiday husiness has been sharply underlined. For these

husinesses there seems little hope of a radical recovery in the second half, and indeed,

the company's caution left analysts downgrading their fore-casts to £13.5m. For all that, the share price fell hy just 2p to 184p, leaving the shares on a still lofty multiple of 15. To

some extent, this seemingly generous multiple reflects the

sentiment that the company would make a tempting target

for a bidder. But that aside, it is a measure of the confidence

in the company's management

which could, say its support-ers, come up with some truly sparkling results in the absence of the catalogue of dif-ficulties that has hit it this

S. G. WARBURG GROUP plc

Unaudited results for the six months ended 30th September, 1988

Increased Interim Dividend

30th September

1988

0002

47,809

26,546

14.4p

3.7p

expanding slightly its US mar-ket share, its ability to push through price increases in America and boost sales in the Far East should enable tobacco Far East should enable tobacco trading profits to grow between 8 and 10 per cent per annum into the mid-1990s. If so, then BAT's share price should have been re-rated in the light of the various offers for RJR Nabisco in the US. Yesterday's stock market reality though was a RAT charting the stock market reality though was a RAT chart. resterday's stock market reality, though, was a BAT share price up 2p at 445p, leaving the group still on a lowly earnings multiple of 7.2, assuming full-year pre-tax profits of £1.6bn. The obvious drags on the shares are the market's worker. shares are the market's worries about Proposition 103, plus
non-smoking fund-managers'
old conviction that tohacco
companies are doomed. But
BAT could help matters by taking a harder look at its more peripheral businesses; on the basis of the last few years, lvey's, Breuner's and even lit-tle Thimbles look good candi-dates for disposal, and there

### may be others. Tarmac exercises

By Vanessa Houlder

**US** option

TARMAC, the construction and building materials group, yesterday announced that it was spending \$188m (£103m) to huy the outstanding 40 percent in Tarmac-LoneStar, the US quarry and cement com-pany based in Virginia and the Carolinas.

The acquisition is well ahead of the December 1989 exercise date provided in the original agreement when Tar-mac bought its 60 per cent in November 1986. The payment is less than the \$200m due under this agreement.

Tarmac said the deal removed uncertainty about the cost of the minority interest and total control of the company gave Tarmac full flexibil-ity to seize opportunities. The payment takes the form

of redeemable preference stock, carrying a fixed coupon of 6.75 per cent a year in Tar-mac America, a wholly-owned subsidiary of Tarmac.

1987

0000

76,832

45,883

28.2p

3.5p

717,195

### French bids value water companies at £68m

SAUR, a subsidiary of Bouygues and the first French water supplier to invest in the statutory water sector, yester-day became the last of the

By Andrew Hill

three involved to attempt to buy companies. The French hid for Mid Southern Water Company values the group at about £50m.
SAUR is offering 700p per £1
nominal of 3.5 per cent ordinary stock, 125p for £1 nominal

of 9 per cent redeemable preference stock 1990 and £1 nominal of 6.25 per cent redeemable preference stock 1991, and 170p preference stock 1991, and 170p for £1 nominal of 7 per cent redeemable preference stock.

For Mid-Sussex, SAUR is offering £100 per £10 nominal of 7 per cent ordinary shares, and £10 per £1 nominal of 4.9 per cent ordinary stock and 3.325 per cent irredeemable preference stock, against middle market prices of £7.50 and £7.25 respectively. The offer

£7.25 respectively. The offer values the whole company at West Kent is valued at \$5.23m, but the pricing of different stock categories is complicated by doubts surrounding the voting status of the 2.8 per cent redeemable preference shares, to be resolved by the High Court.

SAUR's offer for voting stock is pitched et £202.02, £211.98 or £241.48 per £10 nominal, depending on the outcome This compares with middle market prices of £100 for the \$3.5 per cent ordinary stock, and £20 for the 3.15 per cent redeemable preference shares. Non-voting stock is priced at £7 for each £10 nominal, against a market price of £4.

If the 2.8 per cent preference shares were designated voting stock the AIPF/Southern share-

bolding in West Kent would be diluted to about 39 per cent.

SAUR already has a 15-93 per cent stake in West Kent, 5-22 per cent of Mid-Sussex and 13.18 per cent of Mid-Sussex and 13.18 per cent of Mid-Sussex. It also owns 28 per cent of Rickmansworth and 25 per cent of Colne Valley, where Compagnie Generale des Eaux has 28 per cent. Rival suppliers Lyonnaise

des Eaux and Generale des Eaux have now launched agreed bids for six statutory

### Firm takeover approaches made for George Scholes By Ray Bashford

George H Scholes, manufacturer of electrical products, has received two firm takeover approaches which may lead to an offer being made and terminated discussions with a third party. Hanson Trust is believed to

have be one of the companies involved in the discussions. Scnior Hanson executives were understood to have held talks late last week with Scholes executives in Manchester, the site of the head office.

The announcement of talks with the two companies fol-

with the two companies fol-lows a statement on November 17 that a takeover approach

had been received.

Emess, lighting manufacturer, has held broad ranging talks with Scholes for over two years and maintained contact until about the time of the first announcement of the takeover

As a expression of interest in the situation, Bmess moved into the market earlier this week and picked up a further 112,500 shares to lift its holding

112,500 shares to lift its holding to 2.85 per cent.
Scholes shares closed steady at 270p, before the announcement of the new approaches.
Approval of the board would appear crucial to winning control of the company as directors and associated interests control about 35 per cent of the

control about 35 per cent of the capital.

Delta, electrical equipment group, which failed in a hostile £70m takeover bid in August 1987 is free to bid again and is being mentioned as another possible suitor. possible suitor.

### Maxwell lifts **Norton Opax** stake to 25.7%

Mr Robert Maxwell's Bishopsgate Investment Trust has raised to 25.73 per cent the stake in Norton Opax, specialist printing and packaging group, held by itself and associates.

Mr Maxwell picked np his original 22 per cent stake late in 1986 as a result of an intervention in Norton's hitterly contested but successful take over bid for McCorquodale, a

larger printing group.
Bishopsgate bought its latest
1m shares - to raise the total
holding in concert above 36.5m shares – at 154½p on Tuesday. Yesterday, Norton shares added ½p to 158p.



Lord Young announces the British Steel share offer price of 125p

### British Steel share price well-received

THE BRITISH STEEL offer was successfully sub-under-written in the UK yesterday, as the markets reacted well to the hottom-of-expectations 125p share price writes Philip

Coggan.

The main underwriting team for the offer was N M Roths-child, Barclays de Zoete Wedd, Baring Brothers, British Linen Bank, County NatWest, Guin-ness Mahon, Hambros Bank, J Henry Schroder Wagg, Kleinwort Benson, Morgan Grenfell.
Rohert Fleming, Standard
Chartered Merchant Bank and
S G Warburg...
Underwriters faced substantial lease on the PP issue and

Underwriters faced substantial losses on the BP issue and commissions on the Steel offer are much higher. UK underwriting commissions, which reached an all-time low of 0.018 per cent in the BP offer, will be 0.07165 per cent this time, that is £71.65 for every £100,000 underwritten.

Following the BP issue. when many underwriters wished for the offer to be with-

BRITISH STEEL - FINANCIAL DETAILS £2.5bn Market capitalisation Total number of shares First instalmen Forecast dividend (to be paid in August 1989) Notional gross dividend yield\* Pre-tax profits forecast 8 per cen Prospective price/earnings ratio (actual tax)
Prospective price/earnings ratio (20 per cent tax) OFFER STRUCTURE (BEFORE CLAWBACK)

33 per cent 11 per cent UK firm placing flood Yield on first instalment is 14 per cent

drawn because of the impact of the stock market crash, the cent of the issue, comprising 12 per cent in the US, 10 per cent in Japan, 8 per cent in Europe and 3 per cent in Canstructure of the Government's advisory team was altered. For Steel, the roles of adviser and lead underwriter were sepa-rated — Samnel Montagu is the former and N M Rothschild

The overseas offer is 33 per

ada. These proportions could be reduced if the clawback fig-ure in the UK retail offer is triggered A full prospectns will appear in tomorrow's FT.

### Blacks Leisure increases to £2.03m at midway

By Clare Pearson

BLACKS LEISURE Group, camping and sports retailer and fashion goods manufac-turer, yesterday unveiled pre-tax profits of £2.03m for the half-year to August 27. Sales were £23.55m.

The comparative results for 1987 were restated to include companies acquired after the accounting basis. Profits were SLSIm on turnover of SLSOIM. West 8, the sports shop chain, was incorporated in the current year's figures from March 31. It put in about £140,000 to the pre-tax figure, on turnover of £1.5m. Earlier this month Blacks

paid £2.3m to acquire Alpine Sports, a skiing, climbing and camping goods business with three substantial outlets. In the same transaction Blacks disposed of 11 small sales units.

Mr Bernard Garbacz, chairman and chief executive, said the reorganisation of the sports retailing outlets, under the name First Sports, was well underway. A £170,000 advertis-ing campaign would be faunched next spring to pro-mote L.A. Gear, the athletic footwear products for which

distribution rights.

At least four more sports outlets are expected to be opened in the next financial year. Mail order distribution of camping and leisure goods is expected to begin in the early part of 1988.

part of 1989.

The company said its whole-sale fashion and textile division performed satisfactorily during the first six months in difficult trading conditions. Earnings per share came out at 0.36p (0.35p). There is an interim dividend of 0.05p (nil).

### Salvoes fired in Redfearn bid By Philip Coggan

PLM, the Swedish packaging group; yesterday exchanged salvoes with Rediearn, the UK glass and flexible packaging group for which it has made a £54.5m bid.

Mr Ulf Laurin, PLM presi-

dent and chief executive officer, said the release of Red-fearn's defence document last price which continues to be below the value of the offer." PLM's offer is 545p per share in cash. Redfearn closed last

cash. Redfearn closed last night at 535p.

Mr David Newbigging, Redfearn chairman, said: "PLM have not addressed the central issue — the low multiple. Shareholders must now see clearly that PLM are trying to take Redfearn out on the cheap." The first closing date for the offer is November 28. PLM has acceptances for 29.9 per cent of Redfearn's equity. per cent of Redfearn's equity.

### DID YOU KNOW?

### In our first 18 months we have:-

dealt with over 200 institutions.

 completed successfully over £1 billion of Corporate Finance work - 7 investment trust transactions.

• remained profitable, even after writing-off all start up

established relationships with many securities firms much

bigger than ourselves with a view to effecting joint ventures. • given all employees continuity of employment and the opportunity to become shareholders in the firm.

 established and defined the main areas of our business as indicated in our original business plan i.e. encompassing all areas of Asset Based Companies including institutional sales, research and corporate finance.

### In the past 12 months we have:-

• initiated a private client department. • increased staff from 16 to 24.

started to produce a monthly Asset Based Research Newsletter.

### In the next 6 months we will:-

• move to new offices to allow for expansion.

 complete an arrangement with Herzog Heine Geduld which will enable our clients to deal in all NASDAQ stocks. • increase our Corporate Finance team and therefore our

provide research into investment trusts specialising in unlisted

 achieve the above whilst maintaining a firm check on overheads and continuing to make net profits each month as in every

month of our current financial year, which started in May. continue to provide and enhance the services that our clients

Oliff & Sartners G.L.C.
32 Thresdneedle St., London EC2R 8BA
Momber of The International Stock Exchange Member of The Securities Association

THE ASSET BASED SPECIALISTS

Total disclosed capital resources 785,072 The first half of last year was a period of exceptionally favourable and active markets and the period now under review is considered to be more appropriately comparable to the immediately preceding half year. Corporate finance profitability continued to be pressure on dealing spreads. International equity strong with merger and acquisition business in merchant banking and securities at a very high level. The limited demand in equity markets for new paper restricted florations and rights issues, although the primary market for international equity and

distribution and trading reflected the unwillingness of investors everywhere to commit large funds to markets

Six months ended

31st March 30th September

1988

£000

34,298

18,622

10.2p

705,539

other than their own. Trading volumes in both U.K. gilt-edged and U.S. Treasuries were markedly lower than a year earlier. Mercury Asset Management succeeded in gaining new clients for all parts of its business, with funds under management achieving a

The U.K. equity business was affected by lower volumes and, towards the end of the period,

equity-linked issues held up comparatively well. The Group was active in the primary debt markets with a number of innovative transactions. useful increase over the six months.

The spread of our business, providing a wide range of services to our clients, and the continued commitment of our personnel throughout the world in the face of challenging conditions are a source of stability to our results. David Scholey, Chairman

S.G. Warburg & Co. Ltd.

S.G. Warburg Securities
S.G. Warburg, Noroya, Roure & Priman, Mullens Securities Ltd.

Mercury Asset Management Group plc

London □ New York □ Tokyo Auckland 

Boston 

Geneva 

Hong Kong 

Isle of Man 

Jersey 

Melbourne 

Milan 

Montreal 

Paris

San Francisco 

Singapore 

Sydney 

Toronto 

Zurich





#### **UK COMPANY NEWS**

# S G Warburg restricted to £47.8m | SASEA has | Calor turns in £11.6m from

By David Lascelles, Banking Editor

the City's largest independent investment banking groups, yesterday reported pre-tax profits of £47.81m for the six

profits of £47.81m for the six months to September 30.

This was well below the £76.83m achieved in the same period last year prior to the October crash, but was a con-siderable improvement on the £34.3m earned in last year's second half when profits were badly hit by the market slumn badly hit by the market slump. Earnings per share were 144p and the interim dividend is

raised to 3.7p (3.5p).
Altogether, the results showed that Warburg's traditional corporate finance activities were benefiting strongly from unabating level of merg-ers and acquisitions, but that the securities side continued to suffer from weak prices and

'ceived

the company

: the 12 10g

" The Life of the i l' the claring in reinige

Tewaring of

es fired

dfearn 🕷 Coggan

digratical seed of death to the

100

10000

77-121 S per eta ing . bet. tett Af Earnings from merchant banking and securities, after transfers to inner reserves, were £33.59m, down from £57.25m last time. Sir David Scholey, chairman, said that advisory work was strongly

S G WARBURG Group, one of profitable thanks to the group's involvement in major takeover and merger deals.

The weakness was on the securities side where the fixed income business turned in a loss owing to rising interest rates. In equities, recent moves by market makers to narrow spreads had affected margins, and turnover continued to be how. But Warburg is expanding its research capability, Sir David said, "to do it better".

Dealing in sterling money markets and foreign exchange produced satisfactory results. The group has also reduced sharply its lending and acceptance business in order to devote resources to more profitable forms of business.

Sir David said the outlook was mixed, partly because of uncertainties about the future direction of interest rates.

However the spread of War-burg's business was a source of stability to its results.

One area where he expected to see higher activity was in international equities, where Warburg was well placed to

Meanwhile, Mr Rudoph Agnew, chairman of Gold Fields, yesterday pointed out to an audience of institutional investors in London that his

group's share price in the past had closely tracked its benefi-cial gold production.

He recalled that Gold Fields

expects its gold output to nearly double to 2.2m troy ounces in 1991 and mischie-

vously said: "I leave you to draw your own conclusions." However, his chart indicated the Gold Fields price, £12 last

night, would rise to more than £20 a share if previous trends continued.

holds a 24.4 per cent stake in Cundell. Mr Brian Fix, chair-man of Cundell, said that

Abbey's decision was unaccountable and that the bid would be strenuously resisted.

He would seek talks with Ferry at the earliest opportunity.

A consortium of institutions

have agreed to put up £22m to finance the bid; the balance would come from Crown's own

cash resources. The consor-tium includes investors in industry, which coincidentally owns 10.5 per cent of Cundell. Crown is advised by Close Brothers, Cundell by Morgan

Warburg Share price (pence)

benefit from its strengthened position in the North American and Japanese markets. War-burg announced yesterday that it is merging its Canadian busi-ness with that of Alfred Bun-ting, Toronto-based investment dealer, to form a new venture with capital of C\$15m (\$6.82m).

Sir David said that it was

still too soou to judge what

new patierns had emerged in the City since the 1986 Big Bang, though he expected "the screws to tighten a hit" next year as some houses adjusted their businesses or pulled out of various markets.

He said Warburg was con-tinuing to expand its debt and equity markets share and had added 100 people to its staff over the last six months. Mercury Assat Manage-

ment, 75 per cent owned by Warburg, made pre-tax profits of £19.21m, down from £23.95m in last year's first half, but up from £15.17m in the second

Mr Peter Stormonth-Darling, chairman, said markets were still dominated by memories of October 1987, and while they had shown encouraging resilience it was still too early to predict a broad-based return of confidence.

Barnings per share rose to 19p (14.9p) and the interim dividend is lifted to 3.5p (3p). See Lex

oper and trader advanced from £5.01m to £10.42m in the six months to September 30.

The interim dividend is raised to 3.5p (2.5p) ou earnings per share of 12.5p (7.7p).

# 21.5% of Mountleigh

By Philip Coggan

SASEA, the Swiss group controlled by Italian business-man Mr Florio Florini, has sed its stake in Mountleigh, the UK property com-pany, to 21.5 per cent. The shares were acquired via Galerias Consortium, an

investment vehicle in which SASEA has a majority stake. SASEA has a majority stake. Galerias has made approaches to Mountielgh with a view to buying Mountlelgh International, the subsidiary which contains its European interests, and in particular Galerias Preciados, the Spanish department store chain.

Mr Peter Earl, the financier

Mr Peter Earl, the financier who is acting for SASEA, said yesterday that SASEA did not solicit the extra shares but had been offered them by institutional investors who were dissatisfied with the Mountieigh board. He said discussions were

continuing with Mountleigh over the sale of Mountleigh International but he was not in a position to say whether SASEA would consider making a bid for the whole group. Potential price for Moun-tleigh International is believed

to be around £350m gross. Shares in Mountleigh rose 5p to 187p yesterday, as news of the increased SASEA stake fuelled takeover speculation.

# LPG activities at midway

CALOR GROUP, which is now solely devoted to the marketing and distribution of liquid petroleum gas in the UK, yes-terday announced pre-tax prof-its from continuing activities of £11.6m for the six months to end-September.
The comparable figure of

£10.5m included a contribotiou from the since-demerged North Sea oil interests, which put in £2.3m to the £9.2m worth of attributable profits achieved during that period. Attributable profits this time, which were the same as post-tax profits, came out at £7.8m.

Since September, Calor has sold its North American oil interests, the write-down of which contributed to a \$6.8m extraordinary debit in the last full-year accounts.

Mr Michael Davies, chairman, stressed that these latest man, stressed that these results were of limited signifi-cance for the full year since the vast bulk of LPG is sold during the winter months. But he said both turnover and profits met expectations.

LPG turnover rose from £113.7m to £117.5m, in very similar climatic conditions.

similar climatic conditions. Earnings per share came out at 4.7p (4.1p). The interim dividend is set at 6p (5.5p).

COMMENT

"Put warmth where you want it" runs one of the slogans in Calor's reinvigorated attempt to speak to the consumer: a drive that it is concentrating all its efforts on now that it has sold off its non-LPG inter-ests and stands apparently pro-

8.41 per cent - the maximum

which it can buy given its size. However, Mr Rubert Perrodo, Kelt's chairman, has also been in the market - in his case pur-

chasing 3.85m shares or 2.15

per cent. This takes the Kelt

camp's bolding to 10.56 per

tected from a bostile bid by the presence of 42 per cent share-bolder SRV, the private Dutch concern. With a good 50,000 eating places, and about 2½m homes, off the gas mains in Britain today there should be Britain today, there should be plenty of scope for growth left in what is often mistakenly believed to be a mature UK market, the company contends. At the moment, it is particuits cabinet heater advertising campaign has happily coincided with a spell of perishing weather. However, all this is largely neither here nor there to the stock market which reckons that so long as post-tax profits reach about £53m this year, and the shares yield above 6 per cent. Calor is good solid value.

#### Minorco will fight Gold Fields probe to the end

By Kenneth Gooding, Mining Correspondent

MINORCO, the South he suggested. With a reference to sugges-tions that Minorco would with-African-controlled investment group, intends to fight through to the end the UK Monopolies draw from the scene because, as a member of the South Afri-can Anglo American Corpora-tion-De Beers "family", it and Mergers Commission inquiry into its hostile £2.9bn bid for Consolidated Gold can Anglo American Corporation-De Beers "family", it
would not want the Commission "crawling all over it," Mr
Phillimore said: "They are
crawling, we are obliging.
"Now we understand fully
the nature of the Monopolies
reference we have made it
clear to the Commission we are
here and waiting for their
call." Fields, the UK mining and

industrial group.

This was made clear yester-day by Mr Roger Phillimore, Minorco's commercial director, who said of the investigation: "We are seeing it through." This is the first unqualified

indication from Minorco about its intentions. Previously the group has left itself room for manoeuvre by saying only it was "co-operating fully" with

the Commission.
Mr Phillimore said Minorco Mr Prillimore said Minorco had been heartened by the advertisments placed by the Commission asking for inter-ested parties to give their views. These were very specific and selfed particularly for comand asked particularly for comments about the effects of the potential merger "on the com-petition in the markets for minerals and metals such as titanium and zircon. Minorco would have little

difficulty putting the Commis-sion's mind at ease about that, **Crown Industrial steps** 

By David Waller

THE AGREED merger between

Cundell and Ferry Pickering, two packaging companies, has been challenged by Crown

Industrial Group, a private company which has stepped in with a £28.8m cash bid for Cun-

The offer from Crown is

pitched at 160p a share, compared to the 138p value of the Ferry's paper offer yesterday. Cundell's shares surged 27p to 166p, reflecting the market's hopes of a higher bid from

Crown has already won irrevocable acceptances for its bid from Abbey Life, which

Imry Merchant profit doubled

Imry Merchant Developers has doubled profits in its first set of results since the merger between Imry International and City Merchant Developers in March. Pre-tax profits for the property investor, devel-

#### Kelt lifts Carless stake

By Nikki Tait

AS THE £208m from Kelt Energy for Carless, the oil independent beads towards its first close today, the bidder has picked up further shares in its

target. Kelt itself has acquired another 1.23m shares at 113p apiece, taking its total stake to

Belfast-based North West Exploration, fighting a £10m bid from Dublin-based Oliver Resources, yesterday said it had reached an agreement to develop its gypsum deposit in County Cavan, which is expec-ted to bring an income of about £15.7m over a 20-year period. The agreement is with Sean Quinn (Quarries), a Northern Irish company.

NW Exploration

# FINANCIAL NEWS FROM B.A.T INDUSTRIES Mr. Carlo

# Radio Clyde jumps 66%

into packaging merger

By Vanessa Houlde

revenues together with con-tinuing cost controls helped pendent local radio station, to increase pre-tax profits by 68 per cent to £1.5m (£916,000) for the year to September 30. Turnover rose by 20 per cent to £6.3m (£5.3m), which reflected a 21 per cent rise in advertising revenues. Since the

BUOYANT ADVERTISING end of the financial year, advertising revenues have risen by 11 per cent, which the company said was an encour-aging start to the year.

> Rarnings per share increase from 10.2p to 16.8p, an increase of 65 per cent. A final dividend of 4p (2.75p) per share was rec-ommended, making a total for ommended, making a to the year of 5.75p (4.25p).

#### Net assets up at TR Property

market crash it was 69.6p. Group profit in the six months rose from £1.49m to

At September 30, TR Property ing to 0.88p (0.41p). The interior investment Trust had lifted its dividend is up to 0.35p (0.275p) and the final will at least be 60.8p per share. Prior to the

Investment income was boosted by the switch from overseas to higher yielding UK

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
int	0.51	Feb 1	nil	-	0.1
oad St Group §int	0.6	Feb 14	-	<b>-</b> ·	1.1♥
for Groupint	. 6		5.5	. "	16
urtaukleint	2.9 .	-	2.75	• .	12
gg Robinsonint		Jan 5	1.8	- '	4.5
ry Merchantint	3.5t	Feb 3	2.5	•	7.5
rvis Porterint	1.4 .	Jan 13	1.4	. •	4
es (John J)int	0.75	_	0.625	-	1.875
gnetint	2.9	Feb 24	2.5	7 ·	6.0
rston Thompsonint	0.94	Jan 24	0.85	. •	29
roury Assetint		Dec 15	3	- ·	12
ton int 4int	nit .		0.51		0.51
Sio Clyde §fin	4. 37	Jan 20	2.75	5.75	4.25
nderson Elec §lin	3			3,	

**DIVIDENDS ANNOUNCED** 

shown pence per share net except where otherwise stated ing for scrip issue. †On capital increased by issues: \$USM stock. \$\$Unquoted stock. \$7hird is: #Partly to reduce disparity; final of at least rights and/or acquisition is

NINE MONTHS RESULTS £1 = \$1.69 at 30.9.88 (\$1.88 at 31.12.87)

9 months to September 1988

9 months to September 1987

Change

EARNINGS PER SHARE

PRE-TAX PROFIT

42.31p

£1,089m

£961m 38.43p

+13%+10%

Currency fluctuations had little net impact - at constant exchange rates turnover rose 4 per cent and operating profit was up 12 per cent to £1,108 million . Financial services - further substantial progress profit of £333 million, an increase of £64 million - Eagle Star's underwriting performance showed significant improvement of £45 million - also excellent results from Allied Dunbar and Canada Trustco . Tobacco profits up 13 per cent at £586 million - Brown & Williamson and BATCo particular success in export markets

• Paper and pulp profit up 3 per cent despite disposal of a number of businesses • Retail profit at £40 million - strong store for store growth in Argos - competitive pressures continued to affect US retailing results • Farmers acquisition on schedule.



The full quarterly report is being posted to shareholders and copies are available from the Company Secretary, B.A.T Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H ONL

									UK	COMP	ANY	NEM2
	UK	ECON	OMIC	C IND	ICAT	DRS		Magnet'	s £3	4m d	lisa	nnoin
ECONOMIC (1985 = 100); sales value (	. enganeem 100 = 100	ma orders	s (E billion	n): retali s	sales volui	me (1984) a	a linn-ramu	MAGNET, Yorkshire-based	realised from	the disposal was	Lim sq f	ft by March next year,
unfilled vaca	Indi. prod.	Mig.	easonally Eng. order	adjusted. Retail	Retail	Unem- ployed	Vaca.	group, yesterday reported tax- able profits 35 per cent higher	extraordinary	the line as an item. The com-	Interes	l. st receivable amounted n. against a charge of
1 <b>987</b> Brot qtr. Idri qtr.	107.1 108.5	108.3 109.8	28.4	131.5	171.5	2,827	241.3	at £33.72m in the six months to October 1.	operations increased turn	showed an nover of 17.8 per	£1.42m la £11.3m (	ast time. After tax of 28.42m), earnings per
1988 Ist qtr. Ind gtr	108.1 109.7	110.7 112.3	31.7	135.3	173.9	2,488 2,364	249.9 255.2	However, the ontcome failed to excite City analysts who were anticipating profits		said the group's	11.1p (8.7	proved 28 per cent to 7p). The interim divi- lifted to 2.9p (2.5p).
3rd qtr. January Sabruery	110.8 108.9 109.9	115.8 111.4 109.5	31.1 32.4	139.2 135.0 135.4	188.9 176.0 168.5	2,228	244.3	around the £36m level. Magnet shares fell 11p to 205p follow-	well with m ments made	argin improve- in two major	• COM	MENT
March April May Juna	108.7 109.2 109.7 110.2	111.1 111.5 112.5 112.8	31.7 21.5 32.2 32.0	138.3 137.7	180.4 180.5	2,403 2,364	248.4 256.9 254.5 255.1	ing the announcement.  The increase from £35.04m was achieved on turnover of	of kitchen fur successfully	ne Riband range rniture had been introduced, and	day it	as a unique ability to ad disappoint yester- emphatically disap-
luly August Seplember	118.5 118.6 111.1 110.6	112.8 115.5 116.5 115.5	32.0 32.3	140.0	191.4 187.7	2,226 2,192	242.8	£196.7m (£187.4m), although Mr Tom Duxbury, chairman, said	Magnet's move	e into small out- high street posi- lited in "substan-	pointed to	with a set of figures e fanciful expectations nore exuberant ana-
October				141.5		2,160	251.2	the comparision was affected substantially by the inclusion of only one quarter's sales of	tially" increas	ased sales per	lysts. In contribu	the event, the £3.8m
OUTPUT- By	rials end	tuels); er	ngineering	ng output,	metal me	enufacture.	, textiles,	Southern-Evans.  The timber importer and	review. Magn larger stores	e period under net opened 11 and 14 shops —	time) was	ed to £600,000 last s substantially greater yone had predicted,
Bather and c	Clothing (19 Gnemer, goods	1985 = 100); Invest. goods	); housing intend goods	Eng output	OOs, month Metal molg.	Textile etc.	e). House. starts"	merchant was sold to Harri- sons & Crosfield in June and the net capital profit of £26.13m	an additional	I retail area of The group's total	and the i	figures suggested that id profits were not np with the rapid
987 rd qtr. th qtr.	108.1 109.5	104.6 107.7	107.5 108.4	105.4 108.0	109.9 111.4	104.3 102.2	19.9 17.0			nould increase to		
1888 st qtr. sd qtr d qtr	109.5 111.5 113.6	105.8 107.8 114.5	108.4 109.5 108.3	107.1 109.3 113.8	117.0 121.1 122.9	104.1 101.5 102.1	19.6 22.3 20.3	Wilton pla	icing	will r	aise	£2.4m
nuary oruary rch	110.2 108.5 109.8	103.4 104.0 108.0	110.2 106.9 108.1	107.0 105.0 109.0	128.0 116.0 116.0	106.6 164.0 102.0	18.2 20.5 21.0	WILTON GROUP, formed from the old Pennine Resources and	ber of institut	ach with a num-	\$1.02m o	to repay the loans of in that property and
() Y G	110.2 113.0 111.3	108.5 105. <i>5</i> 111.5	109.6 109.7 109.3	106.0 106.0 . 112.0	125.0 118.6 120.0	102.0 103.0 109.0	21.5 22.4 28.5	introduced to the Third Market in August, is paving the way- for future growth.	ers at that pric	ole to sharehold- e on the basis of ordinary and/or	of \$400,0	er American creditors 00. It was also pro- make early repayment
y gust pL	113.4 113.1 114.4	11 <b>3.6</b> 116.2 113.7	108.4 107.9	113.0 115.0 113.0	126.0 128.0 115.0	163.0 102.0 102.0	26.0 20.9 19.4	It is raising £2.4m net by a placing and offer, which will	'A' ordinary he Mr Buckley	eld. and Mr Malcolm	of the E loan from	250,000 interest-free Dawnglen Finance, a
								clear its debt and leave it with a significant asset base. Mr Michael Buckley, chair-	nearly 48 per o	o together hold cent of the capi- taking np their	Suckley.	controlled by Mr There would be a dis- £10,000.
CTERNAL T Nance; curr Ricial reserv	rent balan	dices of nce (Em):	export a	nd import ince (Em);	volume terms of	(1986 = 100 trade (19	)); visibla 385 = 100);	man, said that with the group now in such good shape "we	rights to 24m s have been place	hares, and these ced firm at the	The gr	roup also announced
	Export volume	Import volume	Visible balance	Current balance	Oil befence	Terms trade	Reserve US\$bri	intend to move quickly and we are already actively pursuing a number of opportunities."		said the group	first half pre-tax	y its results for the of 1988, showing the loss reduced to
87 d qtr. d qtr.	106.2 109.2	111.3 119.5	-2,390 -3,201	-355 -1,103	+1,010 +936	97.6 07.9	34.36 34.81	The group owns property in the US, and in August acquired	pose of the pr in Chanute, Ka	roperty portfolio unsas. As regards	£172,000, the prece	from the £481,000 of ding nine months. No
qtr. qtr.	111.9 108.5 111.1	120.8 117.8 127.4	-3,280 -3,952 -4,438	-1,891 -2,842 -2,914	+1,973 +879 +677	97.8 97.8 94.9	44.52 44.64 48.52	Joslin, a restoration stonema- sonry husiness which has con- tracts with Oxford colleges and	Pennsylvania, i beneficial to let	erty in Ephrata, it might be more t it, thereby pro-	Mr Col	re included for Joslin. in Ingleby-Mackenzie,
d qtr d qtr bruary arch	110.8 103.6 107.5	135.5 118.0 115.7	-5,524 -1,536 -1,024	-4,024 -1,166 -654	+361 +302 +218	99.2 97.1 96.8	50.64 42.93 44.64	Windsor Castle. On behalf of Wilton, Shep-	viding a flow of	f income to take substantial tax	a director Holdings,	or of Brown Shipley, has joined the Wilton a non-executive capac-
il y e	113.3 108.0 111.8	124.0 127.2 131.0	-1,208 -1,664 -1,541	-702 -1,177 -1,035	+308 +221 +146	98.6 99.1 99.1	47.88 48.53 48.52	pards has conditionally placed 50.5m new 'A' ordinary 1p		it had been	ity.	A HUIPCARGUATE CAPAN
ust lember	108.1 105.1 119.2	145.1 130.1 131.1	-2,651 -1,615 -1,000	-2,151 -1,313 -660	+65 +140 +156	98.7 99.9 99.0	49.83 59.64 50.05	Sanderson	Elec	beats	s for	recasts
NANCIAL-M								EXCEPTIONAL growth at Sanderson Electronics has seen	promised.	npared with 2.5p	group are	pal activities of the
erling landin I seasonally	y adjusted.	l. Clearing	g Bank ba	ase rate (e Bank	end period BS	S). Cosmer,	er creditt: Bese rate	the company soar past the profit and dividend forecast in the May USM placing.	was exceptions	rs said growth al as a result of g from the heavy	the origin	der its own name and nal makers' name, its e of software systems,
187	MO %	MI Si	M3	lending £m	Eng Con	£m	%	For the year ended September 30 1968 pre-tax profit came	investments or years in the in	ver the past few frastructure and	nance and	systems and mainte- d support services.
d qtr. 1 qtr. 68 t qtr.	5.0 4.9	20.5 23.0 21.0	22.9	+11,448 +11,292 +12,903	1,211 3,007 3,051	+874 +946 +1,035	18.00 8,50 8.50	to £1.75m, against £1.45m indi- cated and £380,000 achieved in the previous year. The divi-		lucts. And the strong position		er was ahead £2.7m to Earnings advanced .7p).
qtr. qtr. qtr. uary	5.3 6.6 7.9 4.6	18.0 17.3 21,9	20.3	+ 15,352 + 15,512 + 5,596	4,173 3,162 890	+1,084 +1,137 +288	9.50 12.00					
ruary ch i	5.4 5.8 6.1 6.2	21.0 21.0 21.2	20.6 20.3 18.4	+2,555 +4,752 +6,014	1,102 1,058 1,576	+321 +425 +281	8.50 6.00 8.50 8.00	Monopolies reference for		_	-	£7.69m
st mber	6.2 7.3 6.9 7.9 8.7	19.9 18.6 17.9 15.7 17.3	18.6 20.3 20.6 20.1 20.3	+3,136 +6,202 +6,452 +3,149 +5,911	1,358 1,239 1,362 1,179 621	+ 355 + 438 + 296 + 518 + 321	7.50 9.50 10.50 12.00 12.00	EMAP bid	despit	e lower	r bee	r sales
ober					1,563		12.00	By Vanessa Houlder	Evershed.	HOMPSON & Burton-based	intense co	s, suffered because of
es of man	nufactured	products	s (1986 - 1	100);retali	prices an	nd fuels; w	ices (Jan	The £3.4m purchase by EMAP, the publishing, printing and exhibitions group, of a 40.7 per	pre-tax profits o	erday reported of £7.69m for the September 24, an	had been	er 17 of its 830 pubs taken under Mar- n management with
7=100); Re ilng (1975	leuters con	mmodity is	index (Sep Wheele,	R 1931 =1	100); trade	e weighted	value of	cent stake in the T R Beckett local newspaper group has	increase of 16.3 previous year.	per cent on the	net profitsing by nes	s from food increas- arly 25 per cent.
qtr.	ings*	matis.*	nerigi	FIPT*	Foods 109.5		Searting 72.7	been referred to the Monopo- lies and Mergers Commission.	(37.59m), despit	te a 3.3 per cent beer volumes.	Whitbread	econd half of the year d will start to give distribution to Mar-
qır. qtr. 8 qtr.	120.6	96.4 96.9	109.6	102.1 103.2 103.7	101.7	1,683	74.9	The decision had been expec- ted by the company. The Fair	Earnings per through at 6.04	share worked p (5.05p) and the	ston's Ped agreement	ligree ale, a trading t which is expected to
qtr. qtr. nuary	124.8 127.5 120.5	07.5 98.8 98.1	112.6 113.9 118.6	108.2 168.6 103.3	104.8 104.7 102.9	1,617 1,902 1,752	77.0 75.9 74.9	Trading Act usually requires a reference where the purchaser already owns newspapers with	0.85p to 0.94p.	id is lifted from Hurdle, chair-	cent over	of the brand by 50 per the next three years. e said depreciation of
ruary rch rll	120.4 124.1 124.4	96.8 95.7 96.3 97.7	111.0 111.4 112.2 112.8	108.7 104.1 105.8 106.2	103.5 103.9 104.4 104.7	1,753 1,734 1,736 1,778	74.3 76.8 76.3 78.4	an average paid-for circulation of 500,000 plus and where one of the newspapers being	man, said: "A overall for the	Although trade first half was	the cap required	ital expenditure before production
ly ne ly igust	124.2 125.9 128.3 126.8	99.5 99.4 98.8	113.0 113.5 113.9	106.2 106.6 106.7 107.0	104.5 104.0 104.4	1,936 1,970 1,863	76.3 78.6 76.8	acquired has a circulation of over 25,000.	show signs of	pointing, it did improving over t, and, indeed,	ted to off	increased was expec- set the contribution s financial year's
oper oper	127.3	98.2 97.5	114.2 114.5	108.4 109.5	104.6	1,573	73.9 76.3	T R Beckett owns two free- sheets and 9 paid-for newspa-	this has contin	nued into Octo- ber."	increased : Marston	sales. a's will be giving
	tNet chang		ot sessonali unts outsta	nding. exclu	uding bank	loens.		pers neer Eastbourne and Worthing.	the first half	had only been who in its tied	hrands, i	emphasis to lager including Heineken a Artois, brewed in
	===								bouses but sa trade, which	ales to thefree	the UK by Marcher, o	Whitbread Sales of one of Marston's own
								{ [	about 35 per cer	nt of the group's	brands, wi	Il be run down.

# Magnet's £34m disappoints City

realised from the disposal was taken below the line as an extraordinary item. The comparison for continuing to £193m, against a charge of tumbled to almost half last City was disinclined to be for-giving, and Magnet's shares tumbled to almost half last summer's peak of 420p. Assum-ing pre-tax profits of \$72.5m in the full year, the shares are now sitting on a fully diluted prospective multiple of around 9.5 if the contribution from property is stripped out. If one property is stripped out. If one has any faith in Mr Duxbury's ability to manage the next stage of his company's transformation from carpenter to retailer, this is too low. Those who fear that he could stumble again, as he has twice since 1985, should remember that be has at least built a formidable brand name in Magnet. Neither this, nor the £85m in the company's balance sheet, will have escaped the attention of would-be predators.

#### Rights issue as John J Lees

rises to £0.3m Confectionery maker John J Lees expanded in the half year ended September 30 1988, and is seeking to raise some \$1.79m net via an underwritten rights

During the period, turnover rose from £2.9m to £3.94m and pre-tax profits from £220,000 to £309,000. Earnings came to 3.87p (3.16p) and the interim dividend is lifted to 0.75p

(0.625p).
The rights comprises the issue of 1.96m shares at 96p each, on a two-for-five basis. Prior to the announcement the

shares stood at 115p.

The directors considered the group's trading position to be healthy.

#### German Smaller

assets down The net asset value of German

Smaller Companies Investment Trust was 140.3p at September 30 1988 – down almost 25p from the figure prevailing a year earlier.

Net revenue in the six months to end-September was £194,652 (£188,276) after tax of 2101,051 (£111,467). Earnings per 50p share improved from 1.49p to 1.54p. Directors said the current

policy of fairly full investment would continue with a measure of liquidity being retained for investment in special situa-tions, especially if the market fell in response to renewed dollar weakness.

#### BICC in £3m Italian

expansion BICC is to acquire Demo Armadi Racks, Italian elec-

tronic packaging business, for L6.25bn (£2.7m).
The addition to BICC's exisiting European electronics activities is part of plans to huild a

leading European electronics packaging business ahead of Turnover of the Turin-based

company was L5.3bn in 1987 and net assets L2.4bn.

#### Reflex doubled

Reflex Investments pre-tax profits for six months to the end of October were E429,000 (£364,000), against E£211,000, on turnover of E£1.43m (££1.09). Earnings per 5p share 3.18p (2.27p) and an interim dividend of 0.449p is being paid. Company's shares are traded on the USM.

#### Avis Europe

Avis Europe, car leasing and rental group, has exercised its option to huy the remaining 50 per cent of Sogen Avis, the Paris-based contract hire car

Avis is paying the vendor Societe Generale, the French banking group, FFr93.8m (£8.8m).

# Restructured Broad Street advances to over £1m at midway

By Fiona Thompson

USM-quoted public relations, advertising, and marketing servicea concern, yesterday reported pre-tax profits of £1.06m for the six months to September 30 1988 on turnover of £6.88m.

The comparative figures are for the six months to April 30 1987, when pre-tax profits were \$281,000 on sales of £4.02m. The group last year changed its year end and reported for the 17 months to March 31 1988, so there are no totally comparable Mr James Gulliver, who took

over as chairman a year ago, said the improved performance was due to a strengthening of management, improved staff motivation and the introduction of strong financial con-

"When I came we carried out comprehensive review of the business and set up a new organisational structure. We had a tight performance review

BROAD STREET Group, highly motivated, settled USM-quoted public relations, team."

Of total operating income of £4.16m, financial public relations accounted for 38 per cent, corporate PR for 22 per cent, consumer PR 17 per cent, advertising and design 10 per cent, political PR 5 per cent, sports and arts marketing 5 per cent, investor relations 2 per cent and presentation skills

training 1 per cent.

Major clients won since the
year end include Abbey
National, Cable and Wireless,
Mountleigh, Rothmans International and Irish Distillers Group. Just this week Broad Street won the Shorts Brothers

(£112,000). Earnings per share rose from 0.6p to 1.9p. A maden dividend of 0.6p was declared

Mr Gulliver said he was confident the group would mainof executives, with one or two tain its improvement into the leaving, and we now have a second half.

#### **Jarvis Porter declines** sharply to £508,000

AS FORESHADOWED in the ing to the reduction in capacity group's annual report, Jarvis at Flexible and a compensation Porter, label and packaging payment to a former senior Turnover showed a near-12

per cent increase to £17.64m, but pre-tax profits dipped 62 per cent from £1.35m to £508.000. Mr Paul Jarvis, chair-man, attributed the disappoint-ing performance to intense competition encountered hy the group's Flexible Packaging

Redundancy payments relat-

employee amounted to £201,000 manufacturer, suffered a sharp downturn in taxable profits for the six months to end-August.

employee amounted to £201,000 and were taken above the line as exceptional items. Mr Jarvis said the measures taken had hrought about an

> now returned to profitability. Plans for a re-shaping of manufacturing facilities were now being implemented throughout the group, he added. Earnings per 10p share fell to

improvement and Flexible had

2p (5.2p), but the interim divi-dend is maintained at 1.4p.

#### Instrumentation division helps Platon reduce loss

AN IMPROVED performance man, yesterday said that new from its instrumentation division enabled Platon Interna-tional, USM-quoted measure-ment control and information

(£3.9m).

Platon incurred a loss of £957,500 in the full year to April 1 1988 - accounts being prepared on a going-concern basis, which according to basis, which according to the auditors, depended on continuing aupport of the group'a bankers. Mr Alby Vigar, chair-interim dividend (0.51p).

banking facilities had now been arranged. During the six months, the instrumentation side contrib-

ment control and miorinates technology group, to reduce its uted pre-tax profits of 250,000 last taxable deficit in the six against a loss of 250,000 last time. However, lack of orders time, However, lack of orders time. The pro-tax loss came out at in the defence market pre-£134,000, down from a restated cluded a similar showing by £325,300 last time. Group turn—the electronics division. Here, over amounted to £2.77m the overall loss was down from £186.400 to £147.900. Platon said the level of enquiries on defence products should increase following the award in September of AQAP 1 and 13

funds managed for clients) is now Prudential Assurance Co.

·50,000 and Prudential Nomi-

nees Client A/C's 741,500, mak-

3 495

#### SHARE STAKES

London Merchant Securities: Westpool Investment Trust has acquired 1.8m ordinary (1.11 per cent) and now holds 82.92m (51.22 per cent). The acquired shares are a scrip dividend, at

of the Prudential Corporation

nees Chem A/US 741,500, making 791,500 (5.61 per cent).
Perry Gronp: Funds nnder management of Scottish Amicable Investment Managers one-for-45, for the year ending March 31 1988. Merivale Moore: The interest have acquired 71,500 ordinary (0.39 per cent) making total of Group (together with that of 1.65m (8.93 per cent).

#### **PUBLIC WORKS LOAN BOARD RATES**

			terminal Til			
	-	-		les-quarte Jugg	s A" copeld	
Torre	by mer	Att	weining.	he 1007	Alt	At .
1	•		1134			12
Over 1 up to 2	11 4	1114	1034	124	124	112
Over 2 up to 3	10%		1012	117	114	114
Over 3 up to 4	105	105	1012	115	115	
Over 4 up to 5	105	1012	10-2	115		11-4
Over 5 up to 6	1012	1012	103	11 3	1172	1128
Over 6 up to 7	1012	1012	1032		11	10%
Over 7 up to 8	1012	103	103	11	11	10%
Over 8:up to 9	1032	1032	101	17	10%	10%
Over 9 up to 10	103	103	10	10%	10%	105
Over 10 up to 15	103	101	95	10%	10%	10-2
Over 15 up to 25	93	95		10%	10%	10,4
Over 25	912	93	93	1034	10	9%

"Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

#### MERCURY ASSET MANAGEMENT GROUP DIC

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER, 1988

	30th September 1988 £000	Six months ended 31st March 1988 £000	30th September 1987 £000
Profit before taxation	19,206	15,173	23,953
Earnings per Ordinary Share	19.0p	14.9p	24.1p

The Board has declared an interim dividend of 3.5p per Ordinary Sbare, which compares with the interim dividend of 3.0p in the previous year.

#### THE CHAIRMAN, MR PETER STORMONTH DARLING, COMMENTS:

"At 30th September, 1988 the value of funds managed by Mercury Asset Management was £24.3 billion. In the last six months we gained a substantial number of new clients in all areas of our business and the average level of funds under our management showed an increase over the previous six months. It is clear that investors are still being heavily influenced by the events of October, 1987 and it is too early to make any prediction as to a possible broadly-based return of confidence. However, the diversification of our business among institutional and private clients in both the U.K. and a wide spread of overseas countries puts us in a strong position to achieve good returns for our shareholders."

> The Interim Report has been posted to sharebolders. Copies may be obtained from the Company Secretary. 33 KING WILLIAM STREET, LONDON EC4R 9AS

#### trade, which accounts for Marcher, one of Marston's own about 35 per cent of the group's brands, will be run down. Pittard queries Strong accounts

The debate over the accounts of Strong & Fisher, the leather group which is currently making a bostile bid for rival Pit-Garnar, resurfaced in questions from the Pittard camp at Strong's annual meet-

write-down of stocks following Strong's acquisition of the Gomshall leather businesses in 1987, and the extent to which this affected profits. The hidder, however, reiterated that the write-down was to net realisable value, and that subs-Pittard queried again the quent profit contribution came from value added by Strong.

#### COMPANY NEWS IN BRIEF

CLASSIC THOROUGHBRED. which came to the Irish Smaller Companies Market in October 1987, has reported a loss of IE423,000 (E358,500) for the aix months to Juna 30. Interest and investment income was £61,000, operating expenses £484,000.

PERSONAL ASSETS Trust: Net asset value 56.6p at October 31 against 56.5p a year ear-lier. Net revenue for six months ended October £160,000 (£98,000) after tax of £69,000 (£37,000) for earnings 1.07p (0.65p). Total income £294,000 (£225,000).

POWER CORPORATION has entered a joint venture with Scott Malkin, part of W and M Properties, a New York prop-erty investment company, to nurchase and develop proper-SHIRES INVESTMENT: Net asset value per 50p ordinary

279.29 (354.3p) at September 30 1988. Fully diluted, the figure was 240.3p (279.4p). Net reve-nue for the half year to end-September was £1.34m (£1.38m), after tax of £492,000 (£543,000). Earnings 8.51p (8.85p) or fully diluted 7.72p (7.91p) and second interim dividend 3.35p (3.15p), making 6.7p (6.3p) to date. At June annual (6.3p) to date. At June annual meeting it was confirmed that full-year dividend would be at least 5 per cent above the previous year's 14.75p.

THERMAL SCIENTIFIC: TI recommended offer will close at 5pm on December 9. By 3pm

Movember 18 accentances

on November 18, acceptances had been received in respect of 22.46m Thermal shares (68.7 per cent). Following the offer, TI purchased 9.76m shares (29.9 per cent) and now owns or controls 32.22m (98.6 per cent). It now intends to acquire compul-sorily the remaining Thermal

#### BOARD MEETINGS

The following companies have notified dates of board meetings for the Stock Exchange, South meetings are usually held for the purpose of cornidering dividends. Critical indications are not available as to whether the dividends are interims or finals and the sub-TODAY

Interfere Angievezi. Boots, Susiness Mor-gage Trust, Century Oils, Chancery, Eastern Transvad Corn Mines, Edirch, Fukrum Inv. Trust, Glamar, Murrey Technology Inva. Opiesby & Butter, Rothmans Intl. Scantronie. John Weddington.
Sianhelm Exhibitions. Quinness
Scottsh law Trust.
FUTURE DATES

Century Olia \_\_\_\_

#### Finance Directors, inject cash — sell us your Vehicle Fleet and lease it back!

Immediate benefits include: On or off balance
 Full range of vehicle

sheet options

management services

 With or without capital allowances  Highly competitive rates with no arrangement fees

You will be enjoying the financial strength of the Cowie Group with a creative and practical way of injecting extra capital.



ثنن



 $M_{\mathrm{BLR}} \gtrsim N_{\mathrm{Ni}}$ 

sroad,

'S to

ું ક <sup>હારાન</sup> 2મી<sup>ન</sup>

The state of the s

lnes

to make the

the many

10 mm 20 75 2

of an Fleeling

1 5:31 8 3

Comment of the National

of other all

livision

ce loss

15.25

+ 11 (for 3)

1.000

F -5100

ARD RATE

le Flee

" tart. 

00

The Automotive Sector of GKN plc, the major multinational Group, is a £1 billion + International business, currently poised to achieve strong growth. As part of this programme of expension, a new Headquarters is being established in the Midlands. From here, a small team will both initiate and critically appraise product and business development opportunities, many of which

A New Headquarters Team

We now wish to recruit two key executives. Both roles will demand strong analytical, evaluation and communication skills, the ability to think and act strategically, and considerable reserves of energy and drive. As would be expected for appointments at this level, attractive renuneration packages tellored to the individuals will apply.

#### Financial Executive

A qualified accountant is needed to perform financial evaluations and projections. Viewed as the financial "expert" in the main, the successful candidate will also have a major part to play in discussions and negotiations at the highest level, Candidates must have sound investigative experience gained in industry, the City or the profession.

#### Business Development Executive

This role is likely to suit candidates with a consultancy background. Key tasks will include market and compatitor analysis, lisson with major extomotive customers and evaluating potential projects, including acquisitions and joint ventures. Condidates will need particularly strong communication skills and should be well versed in data collection and evaluation techniques.

For both these positions, knowledge of the world automotive industry

would be an advantage. In the first instance, please apply to Anthony Jones, GKN's retained advisor, at the address below:

Career Plan Limited, 33 John's Move, Leadon, WC1 N 2NS Tot: 81-242 5775 (ar 81-348 3641 between 7.36 p

ce, and indu



# Consistently successful. Genuinely dynamic. Constantly looking to improve. (Now let's talk about you!)

Our recent half year results -Group profit up 23%, market hare up from 10.6% to 10.9% are proof that Sainsbury's continues to lead the fast-moving food retail market, as one of the UK's most consistently successful companies. A development programme that involves opening some 20 major superstores a year, for the forseeable future, is evidence of dynamic growth. But Sainsbury's attitude is not one of complacency. We recognise that we must continue to innovate and search for improvements across our business.

Indeed, it is this attitude that now leads us to appoint an Accountant who demonstrates similar qualities to those of our organisation. A successful and dynamic, mid-20's graduate ACA, preferably from the 'top 8' with first time passes who has the leadership skills to manage a

team of like-minded people.

We're looking for an individual who, through inspired, thorough assertive but tactful operational auditing, can make a real impact on our business. There's certainly the profile at the highest level to make an impact that will not only improve our efficiency but will also translate to your rapid career progression.

You will be based in Central London. You will receive a c. £25k salary with a comprehensive benefits package including profit share after qualifying period, and a company car.

If we are now talking about you, let's talk further. In the first instance write with full c.v. to Buckman, Senior Recruitment Officer, J Sainsbury plc, Wakefield House, Stamford Street, London

**SAINSBURY'S** 

# ACQUISITIONS/BUSINESS DEVELOPMENT

International Communication Systems c£35,000 + car

This very substantial communications business is part of a major British Plc and comprises several high profile companies and products. It is currently on the threshold of a major programme of expansion through acquisitions in the UK and oversees. The high calibre Business Development team has been brought together to spearhead these activities and it enjoys considerable exposure at the most senior levels in the group.

As an important member of this team, you will be involved in every stage of the acquisitions process; the identification of market opportunities; the investigation and evaluation of target companies negotiations with both targets and external advisors and presentations of proposals to the board.

The successful candidate will be aged around. 30 with an MBA or equivalent professional

eventure commendent into the commendent into the end of the commendent in the commen

qualification. Ideally, you should have recent specialist experience of acquisitions gained in a corporate or as an edvisor. The personal attributes required include excellent communications and analytical skills, the professionalism to work independently and the tenacity to complete deals. A foreign language would be advantageous as the role will involve about 25% travel. The group's growth will provide opportunities to move into line menagement longer term.

Please reply in confidence, giving concise career, personal and salary details to Heather Mele. quoting Ref. L381, at:

Eger International Ltd, Metro House, 58 St. James's Street, London SWIA 1LD, 714 01-628 8070.

EGOR

Controller

**Financial** 

**Property** 

London

c£35,000 plus car and benefits

Our client is a major listed firm of commercial surveyors. As one of its activities it runs a property investment company on behalf of a major pension fund. This company owns a £200m business park in the South East in the course of development. It is also actively negotiating to purchase further development sites in the UK.

There is now a need for a full-tima controller to run the financial aspect of the company. As well as computarising the accounts and ensuring proper accounting records are maintained, this role will have a significant commercial aspect; project viability assessments, understanding of legal agreements and complicated joint venture agreements all form part of the job.

You should be a qualified accountant aged 30-40 with sound legal/ administration experience, possibly in tha property department of a pension fund, bank or insurance company. The prospects are excellent, as the company expands.

Please reply in confidence, giving concise career and salary details and a daytime telephone number, and quoting reference 1567, to Geoffrey Rutland ACA ATII, at the address below or call him on 01-583 3303 (office) or 01-878 8395 (home).

**BDO** BINDER

**BDO Binder Hamlyn** Management Consultants 8 St Bride Street, London EC4A 4DA

MANAGEMENT OF CHANGE

Great Britain Belgium France Garmany Raly Portugal Spain

# FINANCIAL CONTROLLER

#### Home Counties c.\$25,000 + Car + Bonus Scheme

Following a period of extensive rationalisation, this Smulti-million marketing services organisation, part of a major international group, has created a young, progressive management infrastructure dedicated to ensuring the realisation of ambitious growth plans. A talented professional is now sought, with the dynamism and skill to guide them through this exciting phase of development and beyond. As a key member of their elite management team, you will assume overall responsibility for the finance reporting function, managing and motivating up to nine committed professionals. Reporting to, and deputising for, the Financial Director, this is a highly influential strategic position, focusing particularly upon corporate expansion

This high profile role calls for a qualified accountant, with a sound commercial background and excellent communication and negotiation skills.

Outstanding opportunities exist for career development throughout the entire Group, whilst an excellent package of benefits includes a car, bonus scheme, private health insurance, pension scheme and five weeks' hollday. Relocation assistance will be provided where

Please write, in confidence, enclosing a full CV, quoting Ref. A216 to Phillip Price ACA, or Mark Norton, at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London El 8AN. Telephone: 01-488 4114.

**GRADUATES** £9-11,000 + study

1988 graduates required for a circle of leading international Chartered Accountants through to small/medium firms to antar into training contracts (Jan 1989) for CHARTERED ARTICLES and TAXATION to qualify In the ACA and ATII axaminationa. Expenses and overtime are paid in most cases. A 1st/2nd dagraa and 10-15 "UCCA" points are required at 'A' Levels. Training will combina tha best axternal tultion specialists and 'on the job' training. Clients will be of great variaty and will give optimum accounting, auditing and tax experience to equip you for a auccasaful accounting career.

MIKE MORELL 255-1555 **MERIDIAN REC CONS** 25, Museum SL, WC1A 1JT

# Hoggett Bowers

#### Financial Controller

Warehousing/Distribution London/Essex Borders.

London/Essex Bortiers,

C 126,000, Car

The continuing and successful growth of this multi-million pound turnover warehousing, distribution and transport business has created this important new position for a commercially-minded qualified accountant. Reporting to the UK Managing Director and heading up the finance department, the responsibilities are wide, officing an opportunity to play a key role in the management team, and advising on potential areas for acquisition, including evaluating and interpreting business performance. Candidates, probably in their late 20's/early 30's, must have a minimum of 5 years post qualification experience, ideally in the distribution or a related service industry. Important personal qualities are strong interpersonal and analytical skills, coupled with the capability of addressing broad-based business strategy issues. The company is a core business within an international Group, and offices excellent career prospects and the benefits normally associated with a major employer.

employer. *M. Grant*, **Hoggett Bowens plc**, 1/2 Hanover Street, **LONDON**, W1R 9WB, 01-734 6852, Fax: 01-734 3738. Ref: H27009/FT.

#### Partnership Administrator

West Midlands.

West Midlands,

This Company provides construction cost management services throughout the United Kingdom for public and private sector projects. Due to continued expansion they now need an administrator to manage and direct the financial and administration services of the partnership. Reporting to the Senior Managing Partner main responsibilities are to establish and operate financial and management accounting systems, appropriate to the existing and finture needs of the partnership programme. To present financial papers and advise in administration aspects at partnership meetings and develop practices and procedures and implement these to improve the general office, premises and personnel management within the firm. This ideal candidate will be aged 30-50 well educated and either a Chartered Secretary or Part Qualified Accountant, and will have managed a team to produce financial results to deadlines and will have cartainly worked with computerised systems. You must be a good communicator able to motivate others and be committed to succeed in this challenging role.

G.J. Deakin, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1/D, 021-455 7575. Fac. 021-454 2338. Ref. B18018/FT.

These positions are open to make or female condidates. Please telephone for a Pensonal History Room to the televant office, quoting the appropriate refe

BIRMINGHAM, BRISTOIL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR A Member of Blue Arrow plc

APPOINTMENTS ADVERTISING APPEARS MONDAY, WEDNESDAY & THURSDAY.

> FOR MORE DETAILS PLEASE CONTACT: 01 248 8000

DEIRDRE MCCARTHY

PAUL MARAVIGLIA

PATRICK WILLIAMS **EXT 3694** 

**ELIZABETH ROWAN** 

CANDIDA RAYMOND **EXT 3351** 

PATRICK SHERRIFF **EXT 4627** 

Please reply by sending your full CV to Terence Funding Leathern Lander ple, I Sethvik Rd, London SES 611

COMPANY ACCOUNTANT CENTRAL LONDON

£22,000 BASIC + BONUS + MAJOR

A unique opportunity exists for an autilitious qualified accountant within our rapidly expanding fine foods group (current turnover £9m + with 50% annual sales growth). Reporting directly to the board, your duties will include the preparation and analysis of management accounts, budgets and cash flow forecasts and the further development of the computerised accounts system.

If you are computer literate, decisive and wish to play a role in the growth of our independent company you could

BENEFITS + CAR se opportunity exists for an ambitious qualified accoun

QUALIFIED ACCOUNTANT

c 221K + car

Reporting to MD of growing Co. in service industry. Responsible for PC based accounting systems - experience of apreadsheets essential.

Age 25 = 35. nt 16-78 North St. Ashford Kent

#### FINANCIAL ACCOUNTANT To £20,000

This is an opportunity for a newly qualified ACA or equivalent to join the securities settlements operation of a leading investment bank.

You will use your audit experience gained while training to Improve existing and develop new independent controls processes, and to assist the company's internal

You will take a key role in the implementation of a highly sophisticated mainframe settlements systems. This will involve liaison with technical support professionals and senior operations managers.

Additionally, you will be involved with developing the analysis of funding and stock borrowing requirements, profit and loss reporting and the provision of M.I.S. Communications skills are of paramount importance as is experience with maintrame and pc driven systems. Familiarity with the securities industry will be an advantage, particularly if it includes the industry overseas.

In addition to salary we offer a comprehensive range of benefits including noncontributory pension and private health schemes and a free staff restaurant.

Please apply in the strictest confidence to T.L. Roberts, (Ref: 525), Associates in Advertising, Columbia House, 69 Aldwych, London WC2B 4DX. Please indicate on your application the names of any firms to which your application should not be sent.



**Critical** 

meeting

postponed

By Steven Butter in Vienna OIL MINISTERS of the

Organisation of Petroleum Exporting Countries wera

Exporting Countries wera given an extra 16 hours to narrow their differences over production quota allocations when a formal meeting scheduled to start yesterday evening in Vienna was put of nntil 10 o'clock this morning.

Positions of the major protagonists, Iran and Iraq, still appeared far apart, although the Iranians had made considerable concessions. Iraq has sought a quota at least equal to Iran's, while Mr Gholamreza Aghazadeh, the Iranian minis-

Aghazadeh, the Iranian minister, has repeatedly refused to concede the point.

A fresh Iranian approach, with Tehran insisting on maintenance of its 14.27 per cent share of total Opec production; sent delegates to their calculators to work out the impact on

sent delegates to their calcula-tors to work out the impact on individual quotas. The pro-posal highlighted the friction between the Gulf Arah states, which are hacking the Iraqi demand for quota parity, and the non-Gulf producers which are being asked to reduce their

share of total Opec production

to allow a higher Iraqi share.
The non-Gulf members were

resisting any move that would reduce further their share of

increased production under a

**Opec** 

# Overproduction triggers EC grain price penalty

THE GUARANTEED prica
which European farmers
receive for their grain will be
cut automatically by 3 per cent
fall in UK farm incomes this European Commission announced that it had estimated the 1988-89 cereals harvest at 162.5m tonnes - 1.6 per cent more than the support "ceiling" of 160m tonnes agreed by EC heads of government at

their February Summit.
Under the rules of the regime agreed at the time the penalty for overproduction comes in two forms – an auto-matic price cut of 3 per cent to he applied in the following marketing year (triggered if the harvest is more than 160m tonnes, regardless of the size of the excess), plus the payment of an extra levy (the so-called additional co-responsibility levy) in proportion to the amount by which the produc-tion target has been passed. Yesterday's development is

significant bscause it represents the implementation of the most important of the bundle of Common Agricultural Policy reforms commonly known as "stahilisers". Suhstantial cuts have already been announced for this year's soya, sunflower seed and rapeseed prices but most attention in recent weeks has been focused on the politically sensitive and, in recent years, increasingly

costly cereals sector. The announcement of the price cut at this stage will also (and as Britain's Farm Minis-

next year. This emerged in grant has prompted a renewed Brussels yesterday when the attack on the Government hy European Commission the National Farmers' Union.

writes Richard Mooney.

The union is particularly angry at the failure of Mr John MacGregor, the Agricul-ture Minister, to negotiate the devaluation of the so-called green pound — the notional exchange rate at which EC guarantee prices are trans-lated into oterling.

"Britain's farmers are heavily disadvantaged compared with others in

be useful ammunition when the EC negotiators come to discuss ways of reducing agricultural supports next month in Montreal during the mid-term review of the Uruguay Round of multilateral trade talks.

What has not yet been decided in Brussels is the timing of the payment/repayment of the additional co-responsibil-ity levy. Strictly speaking an amount equivalant to 3 per cent of the intervention price should he paid hy producers in advance at the beginning of the marketing season, with the difference between that and the actual percentage overpro-duction reimbursed later.

As things have turned out

Europe both hy our higher rate of inflation and by the Government's reliance on high rates of interest to reduce inflationary pressures," said Mr Simon Gourlay, the NFU

"It is unacceptable that we "It is unacceptable that we should have to contend also with an artificial green rate of exchange which is rigged against us," he declared.

Mr Gonrlay's comments came after Mr Derek Andrews, permanent secretary at the Ministry of Agriculture, had told the National Outlook

told the National Outlook Conference, "It is clear that 1988 will see a decline."

ter Mr John MacGregor point-edly reminded his colleagues at this month's Agriculture Council) farmers in most member states have simply refused to "ante up". Those who havs failed to do so will face a bill of 1.6 per cent of the intervention price, those who have already paid will be reimbursed to the tune of 1.4 per cent.

The impact of the next year's price cut, meanwhile, is far from certain. As one Commis-sion official indicated yester-day it is possible for ministers to push in next year's price negotiations for a 3 per cent increase in cereal prices so that in nominal terms at any rate the effect of the reduction

new higher Opec ceiling, which has been broadly agreed at 18.5m barrels a day. If non-Gulf countries do not share the hurden, however, the increase in production for the Gulf countries will be reduced to an insignificant amount under that ceiling. The percentage share of Opec's total production is important hecause it will likely affect

quotas for years to come.

It was thought that Iran might accept parity with Iraq if it did not have to pay for it and was guaranteed to maintain its market share. This would at least allow the Iranians to present the deal at home as a partial victory that had important economic benefits.

The non-Gulf countries were yesterday working with vari-ous formulas and face-saving devices that might achieve this, including using some pro-duction from the Neutral Zone, which is controlled by Kuwait and Saudi Arabia. At the same time, however, indications were that the Gulf Arab states had moved back to their origi-nal proposal, in which Iran would lose part of its share of Opec's output while Iraq was given an equal quota.
This morning's meeting is

seen as a critical test of whether a final compromise solution can be agreed. The ministers are under great presoure to reach an agreement that will reduce output and prevent a collapse in prices.

#### Malaysia warns of tin price war By Wong Sulong in Kuala Lumpur tonnes, Brazil had used 2,000 tonness from Bolivia's allocation, while it had also Under the second year of the MALAYSIA HAS warned of a scheme, the sevsn member countries - Malaysia, Indon-

esia, Thailand, Australia, Boli-

via, Nigeria and Zaire -

via, Nigeria and Zaire – agreed on an export quota of 101,900 tonnes, while nonmembers Brazil and China agreed to co-operate by keeping within an export level of 26,500 tonnes and 10,000m tonnes respectively.

Malaysia would like ATPC members to stick to the old quota for the third year, but indonesia is demanding an increase of at least 3,000 tonnes in its allocation. The Indonesians are reported to be angered by Brazil breaking its pledge.

pledge.
At the Abuja meeting, Brazil

informed the ATPC ministers that its exports for the second

year of restraint are likely to be around 31,000 tonnes. Apart from its agreed quota of 26,500

free-for-all price war among tin producers if they cannot agree

on an acceptable quota for a third supply rationalsation scheme starting next March. The warning came from Dr Lim Keng Yaik, the Malaysian Minister of Primary Industries, amidst increasing signs that the Association of Tin Produc-ing Countries is baving problems fixing an export quota that satisfies its memhers, and at the same time, continues to deplete the current overhang of 44,000 tonnes in the market.

At the ministerial meeting in the Nigerian capital of Abuja last month, the association

agreed to extend the scheme for a third successive year, but left the quota allocations to the ATPC executive committee which, will meet in Kuala Confidence grows for rubber pact renewal

> Japan and China, representing 54 per cent of consumer votes, have ratified the treaty. The second agreement needs 75 per cent of the votes from both producers and consumers

force provisionally before the end of the year. The Inro Council, which

ally, and at least 85 per cent of the votes from both sides for it to be in definitive operation.

Both Thailand, the third largest producer, and the European Community, the biggest consumer group, have told inro that they will ratify the pact before the end of the year.

a compromise under which a That nominee will hold the top luro joh for the first three years of the agreement, while a Malaysian nominee will take over for the remaining part of

exported another 3,000 tonnes

to the US under a special

arrangement.

The Brazilians presented us with a fait accompli. There was nothing we could do since the SRS is a voluntary scheme." said a senior Malaysian tin

it is believed that China will also be exceeding its second year, although the extent is more difficult to verify.

Malaysia feels that despite the increased exports from Brazil and China, the scheme had worked to deplete the

old quota for another year so that the overhang can be reduced to 20,000 tonnes, when

members should stick to the

reduced to 20,000 tonnes, when the market is expected to return to normality.

"If everyhody wants to increase their quota, there is a danger of the whole scheme falling apart," said Dr Lim, He said he would meet his Indonesian and Thai counterparts in Singapore before the ATPC executive committee meeting executive committee meeting to try and adopt a common stand towards the third SRS. The three countries account for 60 per cent of the world's more annount to verify.

Brazil says it continues to support ATPC efforts to reduce the tin overhang, but says its exports in the third year of the schame will exceed 31,000 transes.

tin exports.

The tin price is currently around 19.5 ringgit a kilogram. compared with 15 ringgit when market collapsed in late 1985 after the International Tin Council ran out of money to operate its price-supporting buffer stock scheme.

# overhang, and association

By Wong Sulong

THE KUALA Lumpnr-hased International Natural Ruhber Organisation has expressed confidence that sufficient members, from both the produ cing and consuming side would ratify the second rubber agreement to allow it to come into

ended its meeting here yester-day, said so far Malaysia and Indonesia, representing 71.7 per cent of the votes among the producers, and the US,

Thailand had been holding back because of differences with Malaysia over the appointment of the organisation's executive director's. This has now been resolved through to come into force provision-

The inro has set up a preparatory committee which is meeting over the next two days

ning at three times official output of 2.6 tonnes in 1987.

Ministry together with regional police chiefs are planning new

action to combat the problem. In September Pennzoll's Duval

subsidiary announced a discov-ery in Kalimantan the main area of foreign interest which

is expected to produce at least 800,000 ounces of gold. The company, which is understood to have run up around \$12m in

development costs, earlier threatened to withdraw operations after the massive influx of illegal diggers.

Of the other large mining houses, British Petroleum

expects to be producing in the

next couple of months at a West Kalimantan site. The company also has rights to a

hard rock deposit in Central Kalimantan. Billiton the Dutch Shell offshoot is also nearing

the production stage.

CRUDE Oil. (Light) 42,000 US galls \$/barrel

Indonesia's Home Affairs

of the second agreement.
The committee will discuss the technicalities of transferring the assets, liabilities and staff of the first inra to the second inra, including the stockpile of 30,000 tonnes. The Inro secretariat has been directed to make a comprehensive study of the buffer stock operations, and the ruhher market so that the second agreement can be more effective in responding to market

to prepare for the introduction

# Copper tightness 'to continue'

By Kenneth Gooding, Mining Correspondent

CURRENT HIGH demand for copper and consequent tight-ness of supply will continue well into next year, said Mr Robert "Bull" Durham, chairman of Phelps Dodge, the largest copper producer in the US, yesterday. He also dismissed suggestions that high prices would produce a copper glut in the early 1990s, As he was speaking in London copper prices jumped on news that stocks on the New

York Commodity Exchange (Comex) had dropped to the lowest-ever level.
On the London Metal Exchange the cash price of Grade A copper rose hy £110 a tonne, to £1,867.50 a tonne. The three-month price gained £89

to £1,629,50. copper will soon move above the record £1.894.50 a tonne for cash metal on the LME reached on November 2 as the Peruvian miners' strike spread. Comex yesterday confirmed rumours - which started the

latest price surge late on Tues by revealing its stocks had fallen hy 1,896 short tons

(2,000 lh) to only 5,957 tons. Traders expected another 1,000 tons would he withdrawn yesterday from the Ei Paso warehouse to meet Mexican

demand. Traders said there were also market rumours that LME stocks would fall hy ahout 10,000 tonnes this week from 63,825 tonnes (the lowest level for six months) to take them near the 14-year low of 41,425 tonnes seen in May.

However, suggestions that the copper producers were themselves taking the copper to buoy up prices were given short shrift hy Mr Milton Ward, president of Freeport McMoRan, another major copper producer.

He was speaking at a conference in London organised hy

Institutional Investor magazine and Shearson Lehman Hutton, the financial services group. At the conference Mr Durham of Phelps Dodge pointed out that between 1983 and 1986 world copper stocks fell by about 1bn lbs without any impact on the price. Stocks now represented only four weeks copper usage.

Close

Previous High/Low

He said copper companies everywhere were straining to produce and sell at the maximum rate hut many major groups - in Chile, Zaire, Zam-hia and the Philippines -expected output to fall this year, And there was "chaos" in Peru because of the strikes.

As if to illustrate his point,

Codelco, Chile's state-owned group, revealed yesterday that it now expected output from its largest mine, Chuquicamata, to be 5 per cent helow previous forecasts for 1988 at 538,000 tonnes because of start-up problems with a new oven. Mr Durham went on to sug-gest that even hy 1992, when major new ore hodies such as Escondida in Chile were being mined, copper supply and demand would still be only in balance. By 1992 about 900,000 tonnes of new capacity would be available annually but 400,000 tonnes of existing capacity would have gone. Even with modest growth of 1 per cent a year, demand would increase by 300,000 tonnes. "So there will be no semblance of

over-capacity or a glut."

# Indonesian gold disappoints

By John Murray Brown in Jakarta

DISAPPOINTING exploration results coupled with serious cash flow problems are expected to force several foreign gold mining companies to relinquish their Indonesian concessions before the end of

the year. Indonesian officials estimate that around 20 of the 100-odd foreign mining contracts will be discontinued as companies reach the end of the 12-month general survey period. According to the Mines Department only 59 of the concessionaires have so far compiled with the minimum spending require-ments of \$45 per sq km of

The problem is particularly forthcoming with future gold acute for the smaller entrepreneurial mining concerns, following last year's collapse of trailian operations and the curthe stock markets—hitherto reut drop in bullion prices, the main source of funding. One foreign mines consultant estimated that as many as 40 concessionaires were now looking to sell out to new partners. Teweti Mining, owned by Mr Kerry Packer the Australian busine company with the most conces-

**US MARKETS** 

end platinum prices all posted marginal gains, reports Drexel

Burnham Lambert. Trading volume

points in December, Lower cons

days best buyers. Prices approach 11c in the March contract. Cocoa

fund buying was seen. Speculative

stocks helped the edvance. The soft commodities featured higher sugar

sions - has already applied to terminate one of its 11 hlocks and is hoping to sell another four, possibly to Chevron, the US oil major. One joint venture run by Pelproduction is currently run-

sart and Jason Mining, also of Australia, earlier won Indone-sian Government approval to raise a gold loan to fund development of a mine at Ampalit in Central Kalimantan, now close to production. Mines officials have confirmed that WestPac Banking Corporation of Australia had agreed to extend a \$7.5m loan which the company will repay ounce for ounce out of future production. But banks are expected to be less

acreage is expected to be allo-cated to local illegal miners some 100,000 of whom are currantly disrupting foreign operations. Dr Soetaryo Sigit, the Director General of Mines in a statement to Parliament last week confirmed that

#### sets sales record By Mike Hall in Blantyre "thousands" of illegal parmers had resumed operations in spite of the Government's July injunction to close them down. Officials calculate that filegal

MALAWI realised record receipts and the highest ever anction floor prices of all tobacco types this season. Total sales rose 2.5m kg on last year to 75m kg, realising 389 Malawi Kwacha at auction up from 278 last year, according to the Tohacco Control

Malawi tobacco

The country has emerged as one of the leading exporters of burley tobacco, with a reputation for producing good quality, low micotine leaf. This year sales reached 45.5m kg – an increase on 1987 of 9m kg. Because of world shortages burley prices were high at an average 524 tambala (£1.14) a kilogram — up from 396 tambala last year.

For the coming season, trade estimates put burley demand at 60m kg. Sales of flue-cured Virginia declined from 24.4m last year to 20.7m kg this

12.77

year. Tohacco is Malawi's key export crop, accounting for over 60 per cent of all exported

Chicago

#### **LONDON MARKETS** COCOA E/tonno

ZINC prices firmed on the LME yester day, although thrae-month metal con-tinues to meet firm rasistance at tha \$1.500 s tonne Isvel. But the market remains on course to challenge the recant record high of \$1,538 for thra months dalivery, based on the continu ing Peruvian miners' strike, higher producer prices and the further upsid potential of copper, analysis said. Alu minium prices wara also firmer although tradors said a ganaral marka belief that production levels had caugh up with demand and that stocks levals were on a rising trand was backed u this morning by talk that a further 25,000 (onnes of metal is axpected t be delivered into LME warehouses this week. The coffee market remained o the defensive faced with the prosper ot a 1m-bag increase soon in the intai

SPOT MARKETS		
Crude off (per barrel FOS)		+ or -
Duber	\$11.03-13q	-0.12
Brent Slend	\$13.30-30x	-0 rs
W.T.I. (1 pm est)	\$13.91-4q	-0.49
(NWE grompt delivery per to	rmo CIF)	+ or -
Premium Gasolino	\$175-179 \$128-130	-2
Gas Oil	263-65	+25
Heavy Fuel Oil Naphtha	\$136-138	+05
Petroleum Argus Estimales		
Other		+ or -
Gold (per Iroy oz)	5418.25	-1
Silver (per tray ozie	811c	
Platinum (per froy of)	\$567.25 \$127.25	+8.00
Patladium (per troy oz)		+075
Aluminium (free market)	\$2430	+60
Copper (US Producer) Load (US Producer)	144 %-157 40 kg	+212
Nickel (free market)	6r0c	+ 10
Tin (European free market)	74050	-30
Tin (Kusis Lumpur market)	19 40r 343.0c	-0.03
Tin (New York) Zinc (Euro, Prod. Price)	51475	-0.5 -25
Zinc (US Prime Western)	70%c	
Cattle Ilive weightst	113 520	+0.83*
Sneep (dead weight)†	176.41p	+ 15 9"
Pigs (live weight)†	81 53p	+ 1.23*
Landon daily sugar (raw)	\$271 2z	+92
London daily sugar (white)	5283.5z	+75
Tota and Lylo export price	£257	+3
Barloy (English feed)	£107.25	-0.75
Maiza (US No. 3 yellow)	£128.75w £112.25	+ 0.25
Wheat (US Dark Northern)		-0.75
Rubber (Spot)	53.5p	+0.5
Rubber (Dec)	59.25p 60.0p	+05 +05
Rubber (Jan) T Rugber (KL RSS No 1 Deci	271.6m	TU.3
Coconul ou (Philippinos)§	\$555w	.5
Paim Oil (Molaysion)\$	\$400	.5
Copra (Philippines)§	\$380w	
Sovobeans (US)	51735	+0.5
Cotton "A" Indos	58.90c	+005
Woodops (64s Super)	625p	
C a tonne unless otherwise c-cents. IO r-ringgi/kg. 2-Dec. v-Oc//Dec. u-Mar O-sian average tastock price week ago. Willow market	cijan x-Dec lan. filosi ( la. " change al markei, și	w-Novi

v 1044 1055 1048 v 1061 1067 1067 1087 v 1057 1072 1078 v 1007 1084 1082 v 1070 1090 1085 v 1075 1092 1089 v 1072 1092 1089 v 1072 1092 1089 v 1072 1092 1089 v 1072 1092 v 1073 1092 1089 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1075 1092 1092 1092 v 1075 1092 v 1075 1092 1092 v 1075 1092 v	1 863 1 872 1 075 1 875 1 875 1 875 1 875 1 875 1 876 1 905 1 905 1 1040y 21 1 1052 2 1063 3 1062 2 1063 5 1077 9 1082 1 1063 5 1077 9 1082 1 1060 1
9 879 879 882 87 882 880 979 880 870 880 870 880 87 80 80 80 80 80 80 80 80 80 80 80 80 80	1 872 1 875 1 875 1 895 2 896 3 1 905 3 1 1010 day at 11 10 day at 11 10 day at 11 10 day at 11 10 10 10 10 10 10 10 10 10 10 10 10
880 970 880 870 880 67 880 87 880 870 880 870 880 877 880 877 880 877 871 905 913 67 9	075   075   075   0875   0866   0905
p 880 870 880 8 99 8 99 8 99 8 99 8 99 8	2 896 3 905 3 tonnes or tonne). D 30) 10 day at 10) 10 day at 11) 10 day 12) 10 day 13) 10 day 14) 10 day 15) 10 day 16) 10 day 17) 10 day 18) 10 day 18) 10 day 19) 10 day
## 911 906 913 6 ## 913 007 1755) lots of 10 120 Indicator prices (SDRs per ce for Nov 22 1124.46 [1123.50] of the Nov 22 1124.46 [1123.50] of the Nov 23 1091.69 (1087.08) ## 1041 1055 1048 ## 1041 1055 1048 ## 1057 1072 1078 ## 1057 1072 1078 ## 1057 1072 1078 ## 1070 1090 1085 ## 1070 1090 1085 ## 1075 1092 1099 ## 1070 1090 1085 ## 1075 1092 1099 ## 1070 1090 1085 ## 1075 1092 1099 ## 1076 1090 1085 ## 1075 1092 1099 ## 1076 1092 1099 ## 1076 1090 1085 ## 1075 1092 1099 ## 1076 1090 1085 ## 1076 1090 1085 ## 1077 1090 1085 ## 1078 1092 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 12675 1099 ## 1090 1085 1099 ## 1090 10	1 905 1 tonness
Transmission   Tran	O tonness or tonne). D services of tonness or tonne). D services of tonness or tonne). D services of tonness or tonness o
Consequence	in/Low
ce for Nov 22: 1124,46 [1123,80] of for Nov 23: 1091,69 (1087,08)  FFEE Ettonne  Class Provious Highlet 1067 1067 1067 1067 1067 1067 1067 1067	10) 10 day at 10 day
FFEE E/tonne	h/Low 8 1040 17 1052 18 1062 18 1062 18 1062 18 1062 18 1082 19 1082 19 1082 10 240 10 240 10 240 10 240 10 225 10
Cioso Provious Heghu 1 1044 1055 1048 1 1061 1067 1087 1 1087 1072 1078 1 1070 1090 1085 1 1075 1092 1099 1 1075 1092 1092 1099 1 1075 1092 1092 1099 1 2075 1092 1092 1099 1 2075 1092 1092 1093 1093 1093 1093 1093 1093 1093 1093	h/Low 8 1040 8 1040 7 1052 8 1062 9 1062 9 1082 Innes per pound) 5,13): 15 00 2240,00 00 239,00 00 239,00 00 225,40 00 226,00 h/Low 00 271 10 00 265,90 00 285,90 00 265,90 00 265,90 00 265,90 00 265,90
Gloso Previous Heghu v 1044 1055 1048 n 1061 1067 1067 1087 n 1057 1072 1078 y r007 1084 1082 1070 1090 1085 n 1075 1092 1089 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1074 1092 n 1075 1092 1089 n 1088 Previous High/r 247-40 240.00 251.4 y 247-40 256.00 256.00 c 230.00 274.00 281.0 c 230.00 274.00 281.0 c 250.00 277.00 257.00 264.7 novor: Raw 5441 (2028) lots of 10.878 (1347). is: White (FFr per tonne): Mr. S. Aug 1810. Oct 1590, Dec 158 B Oil, Srionne Close Previous High/r c 190.00 126.75 131.5 c 128.25 126.00 129.5 c 128.25 126.00 119.25 y 118.75 115.00 119.25	8 1040 77 1052 78 1062 82 1063 55 1077 99 1082 Per pound) 15,13): . 15 15,13): . 15 16/Low 100 228,00 100 208,00 100 208,00 1
Gloso Previous Heghu v 1044 1055 1048 n 1061 1067 1067 1087 n 1057 1072 1078 y r007 1084 1082 1070 1090 1085 n 1075 1092 1089 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1075 1092 1089 n 1072 1092 n 1074 1092 n 1075 1092 1089 n 1088 Previous High/r 247-40 240.00 251.4 y 247-40 256.00 256.00 c 230.00 274.00 281.0 c 230.00 274.00 281.0 c 250.00 277.00 257.00 264.7 novor: Raw 5441 (2028) lots of 10.878 (1347). is: White (FFr per tonne): Mr. S. Aug 1810. Oct 1590, Dec 158 B Oil, Srionne Close Previous High/r c 190.00 126.75 131.5 c 128.25 126.00 129.5 c 128.25 126.00 119.25 y 118.75 115.00 119.25	8 1040 77 1052 78 1062 82 1063 55 1077 99 1082 Per pound) 15,13): . 15 15,13): . 15 16/Low 100 228,00 100 208,00 100 208,00 1
v 1044 1055 1048 v 1061 1067 1067 1087 v 1057 1072 1078 v 1007 1084 1082 v 1070 1090 1085 v 1075 1092 1089 v 1072 1092 1089 v 1072 1092 1089 v 1072 1092 1089 v 1072 1092 v 1073 1092 1089 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1072 1092 v 1075 1092 1089 v 1075 1092 1092 1092 v 1075 1092 v 1075 1092 1092 v 1075 1092 v	8 1040 77 1052 78 1062 82 1063 55 1077 99 1082 Per pound) 15,13): . 15 15,13): . 15 16/Low 100 228,00 100 208,00 100 208,00 1
1 1061 1067 1067 10 1067 1072 1078 10 1067 1072 1078 10 1067 1072 1078 10 1070 1094 1082 10 1075 1092 1089 10 1075 1092 1089 10 1072 1092 1089 10 1072 1092 10 1092 1092 10 1092 1093 10 1092 1099 10 22: Comp. delty 115 21 (115, srago 114.15 (113 94).  CAR (5 per tonne)  Close Previous High/ 12 25.00 250.00 253.00 12 247.40 240.00 251.4 12 247.40 240.00 251.4 12 247.40 225.00 226.00 12 230.00 226.00 12 230.00 226.00 12 230.00 226.00 12 230.00 226.00 12 230.00 226.00 12 230.00 274.00 281.0 12 230.00 274.00 281.0 12 24.50 289.00 274.0 13 274.50 289.00 275.0 13 275.00 275.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.00 285.0	77 1052 175 1052 11053 1052 12 11053 15 1077 19 1082 11053 15 1077 19 1082 11052 110
1057   1072   1078   1078   1070   1084   1082   1070   1090   1085   1075   1092   1089   1072   1092   1089   1072   1093   1075   1092   1089   1072   1093   1075   1093   1075   1093   1075   1093	1052 22 1053 5 1077 9 1082 1082 1082 1082 1082 1082 1082 1082
9 1007 1084 1082 1089 1070 1090 1085 1075 1092 1089 1075 1092 1089 1075 1092 1089 1075 1092 1089 1072 1089 1075 1092 1089 1075 1092 1089 1075 1092 1089 1075 1092 1099 122. Camp. deily 115 21 (115, srago 114.15 (113 94).    GAR (5 per tonnel	2 1963 5 1077 9 1082 Innes per pound) 5,13): . 15 Innes per pound) 5,13): . 15 Innes Per pound) 5,13): . 15 Innes I
1070 1090 1085 1075 1092 1089 1075 1092 1089 1075 1092 1089 1075 1092 1089 1075 1092 1089 1076 1092 1092 Indicator prices (US conts pous conts	15 1077 19 1082  Innes 1082  I
1072   1092   1092   1092   1092   1092   1092   1092   1092   1092   1192	h/Low 100 240,00 140 239,00 100 225,40 100 225,40 100 225,40 100 225,40 100 225,40 100 265,90 100 265,90 100 265,90 100 265,90 100 265,90 100 265,90
Company   Comp	h/Low 100 240,00 140 239,00 100 225,00 100 2
Ordicator prices (US cents of 20 cents of 22 cents of 22 cents of 22 cents of 22 cents of 23 cents of 23 cents of 24 cents of	h/Low 100 240,00 140 239,00 100 225,00 100 2
Ordicator prices (US cents of 20 cents of 22 cents of 22 cents of 22 cents of 22 cents of 23 cents of 23 cents of 24 cents of	h/Low 100 240,00 140 239,00 100 225,00 100 2
### Close Previous High/ #### Close Previous High/ ##### Close Previous High/ ####################################	h/Low  00 240.00  40 239.00  00 223.00  00 225.40  00 226.00  h/Low  00 271 10  00 265.90  00 265.90
CAR (5 por tonne)  W Close Previous High/  2 253.00 250.00 253.00  7 247 40 240.00 251.40  9 241 40 235.00 242.00  2 235.20 228.00 236.00  2 230.00 226.00  7 227.00 222 00 227.00  Re Close Previous High/  7 390.00 274.00 281.0  9 274.50 269.00 275.0  1 272.00 227.00 225.00  2 724.00 269.00 275.0  1 272.00 267 00 264.7  Incompare Raw Self (2028) lots of the compare Raw Self (2028) lots of	00 240.00 .40 239.00 00 239.00 00 229.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .00 268.50
W Close Previous High/ 2 253.00 250.00 253.00 7 247.40 240.00 251.4 9 241.40 235.00 242.00 2 235.20 229.00 228.0 2 230.00 226.00 256.0 2 230.00 226.00 227.00 2 277.00 222.00 227.0  Re Close Previous High/ 2 380.00 274.00 281.0 9 275.00 270.00 275.0 10 1875.1347.1 15. White (FFr per tonne): Migh/ 5. Aug 1810. Oct 1590, Dec 158 8 Oil, S/lonne Close Previous High/ 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.50 130.75 125.00 2 120.50 130.25 3 120.50 130.	00 240.00 .40 239.00 00 239.00 00 229.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .00 268.50
W Close Previous High/ 2 253.00 250.00 253.00 7 247.40 240.00 251.4 9 241.40 235.00 242.00 2 235.20 229.00 228.0 2 230.00 226.00 256.0 2 230.00 226.00 227.00 2 277.00 222.00 227.0  Re Close Previous High/ 2 380.00 274.00 281.0 9 275.00 270.00 275.0 10 1875.1347.1 15. White (FFr per tonne): Migh/ 5. Aug 1810. Oct 1590, Dec 158 8 Oil, S/lonne Close Previous High/ 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.00 126.75 131.5 2 130.50 130.75 125.00 2 120.50 130.25 3 120.50 130.	00 240.00 .40 239.00 00 239.00 00 229.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .00 268.50
253.00 250.00 253.00 r 247.40 240.00 251.4 y 241.40 235.00 242.0 g 235.20 229.00 236.0 r 227.00 226.00 r 227.00 222.00 227.0 life Close Previous High/ r 280.00 274.00 275.00 g 274.50 270.00 275.0 g 274.50 269.00 274.00 g 275.00 276.00 275.0 g 274.50 269.00 274.00 g 275.00 276.00 275.0 g 276.00 276.00 275.0 g 276.00 276.00 275.0 g 276.00 276.00 276.0 g 276.00 276.00 276.00 276.00 276.0 g 276.00 276	00 240.00 .40 239.00 00 239.00 00 229.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .00 268.50
253.00 250.00 253.00 r 247.40 240.00 251.4 r 247.40 240.00 251.4 r 247.40 235.00 240.00 g 235.20 229.00 236.0 r 227.00 226.00 236.0 r 227.00 226.00 236.0 r 237.00 226.00 237.0 g 235.20 257.00 277.00 277.00 r 280.00 274.00 281.0 r 280.00 274.00 274.00 g 274.50 269.00 274.0 g 275.00 269.00 274.0 g 276.00 276.00 269.00 274.0 g 276.00 277.00 269.7 g 276.00 269.00 274.0 g 276.00 277.00 269.7 g 276.00 269.00 274.0 g 276.00 269.00 274.0 g 276.00 276.00 269.7 g 276.00 269.00 269.5 g 276.50 126.50 126.50 126.50 126.50 g 276.50 126.	00 240.00 .40 239.00 00 239.00 00 229.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .00 268.50
r 247 40 240.00 251.4 r 241 40 235.00 242.0 g 235.20 229.00 238.0 g 235.20 229.00 238.0 g 230.00 226.00 g 230.00 226.00 r 227.00 222.00 227.0 lte Close Previous High/ r 380.00 274.00 281.0 g 274.50 269.00 274.00 g 274.50 269.00 274.00 g 274.50 269.00 274.0 g 274.50 269.00 274.0 g 274.50 269.00 274.0 g 276.00 267.00 264.7 lto l878 [1347]. lts- White (FFr per tonne): Mu 5. Aug 1810, Oct 1590, Oec 158 B OLL Stionne  Close Previous Migh/ c 190.00 126.75 131.9 g 128.25 125.00 129.5 g 128.25 125.00 129.5 g 128.50 128.25 127.7 g 121.00 118.25 122.00 g 118.75 115.00 119.25 g 118.75 115.00 119.25	.40 239.00 .00 229.00 .00 229.00 .00 225.46 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50
235.20 229.00 238.0 2 232.80 226.00 26.0 2 230.00 226.00 227.0 2 230.00 226.00 227.0  Re Close Previous High/ 2 280.00 274.00 281.0 2 275.00 270.00 275.0 2 274.50 289.00 274.0 2 272.00 289.00 274.0 3 274.50 289.00 274.0 3 274.00 289.00 28	.00 225.00 .00 225.40 .00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .70
232.80 226.00 236.00 236.00 236.00 236.00 226.00 227.00 222.00 227.00 227.00 227.00 227.00 275.00 275.00 275.00 276.00 27	.00 225.00 h/Low .00 271 10 .00 265.90 .00 268.50 .70
2 230.00 226.00 227.00 227.00 227.00 227.00 227.00 227.00 227.00 227.00 227.00 227.00 227.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 275.00 276.00	.00 226.00 h/Low .00 271 10 .00 265.90 .00 268.50 .70
r 227.00 222.00 227.0  Ide Close Previous High/ r 280.00 274.00 281.0 y 275.00 270.00 275.00 g 274.50 289.00 274.00 g 274.50 289.00 274.00 g 274.50 289.00 274.00 g 274.50 289.00 274.0 g 276.00 287.00 284.7  Indiver: Raw 5441 (2028) lots of the large first of t	h/Low .00 271 10 .00 265.90 .00 268.50 .70
te Close Previous High/ r 280.00 274.00 281.0 y 275.00 270.00 275.0 g 274.50 269.00 274.00 g 274.50 269.00 274.00 g 272.00 267.00 264.7 nover: Raw 5441 (2028) lots of 1878 (1347). ris- White (FFr per tonne): M45. Aug 1810. Oct 1590, Dec 158 B Oil, Szionne Close Previous High/ c 190.00 126.75 131.50 g 128.25 126.00 129.50 g 128.25 126.00 129.50 g 128.25 126.00 129.50 g 128.35 120.75 125.00 g 118.75 115.00 119.25 g 118.75 115.00 119.25	.00 271 10 .00 265.90 .00 268.50 .70
r 280.00 274.00 281.0 ry 275.00 270.00 275.0 g 274.50 289.00 274.0 g 274.50 289.00 274.0 g 272.00 287.00 284.7 mover: Raw 5441 (2028) lots of the tension of tension of the tension of tension	.00 271 10 .00 265.90 .00 268.50 .70
y 275 00 270.00 275.0 274.50 289.00 274.0 272.00 289.00 274.0 272.00 289.00 264.7 novor: Raw 5441 (2028) lots of the control of the contr	.00 265.90 .00 268.50 .70
274.50 289.00 274.0 272.00 257 00 264.7 movor: Raw S441 (2028) lots of 10 1878 (1347). is- White (FFr per tonne): Might S. Aug 1810. Oct 1590. Dec 158  Close Previous Hight S10.00 126.75 131.50 126.25 125.00 129.50 129.50 129.50 129.50 120.75 125.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 118.25 122.00 119.25 122.00 122.00 119.25 122.00 119.25 122.00 119.25 122.00 122.	.00 268 50 70 of 00 tonn
272.00 287 00 284.71 mover: Raw S411 (2028) lots of the large (1347). ts- White (FFr per tonne): 845. Aug 1810. Oct 1590, Dec 158 B Oil, Szionne  Close Previous Mighz 128.25 125.00 129.50 128.25 125.00 129.51 120.25 120.75 125.00 120.50 120.75 125.00 120.50 120.75 125.00 121.00 182.55 122.00 182.50 120.75 125.00 182.50 120.75 125.00 182.50 120.75 125.00 182.50 120.75 119.25 122.00 182.50 120.75 119.25 122.00 182.50 120.75 119.25 122.00 182.50 120.75 119.25 122.00	of 00 tonn
movor: Raw 5441 (2028) lots of lot 1878 (1347). its. White (FFr per tonne): Mr 5. Aug 1810, Oct 1590, Dec 158  B Oil, Stionne  Close Previous Hight 190.00 126 75 131.50 128.25 126.00 129.50 128.25 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.22	of 00 tonn
Close Previous High 190.00 126.75 131.50 128.25 126.00 129.50 128.25 126.00 129.50 123.50 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.25	
Close Previous Right 190.00 126.75 131.9 128.25 125.00 129.50 128.25 125.07 129.50 123.50 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.25	580, MUST 130
190.00 125.75 131.5 128.25 126.00 129.5 128.50 123.25 127.77 123.50 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.25	
190.00 125.75 131.5 128.25 126.00 129.5 128.50 123.25 127.77 123.50 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.25	h/Low
128.25 125.00 129.50 128.50 123.25 127.7 123.50 120.75 125.00 121.00 118.25 122.00 118.75 115.00 119.25	.50 127.00
• 123.50 120.75 125.00 • 121.00 118.25 122.00 • 118.75 115.00 119.25	
• 123.50 120.75 125.00 • 121.00 118.25 122.00 • 118.75 115.00 119.25	.50 124.25 .75 123.00
7 121.00 118.25 122.00 7 118.75 115.00 119.25	.00 120.50
	.00 117.75
	25 115.75
	.50 115. <b>00</b> . <b>00</b> 11 <b>5</b> .00
nover 11520 (11128) lots of 100	
AINS E/fonde	
sat Close Previous High/	
	0 tonnes
	0 tonnes
100.30 110.12	00 tonnes
	00 tonnes h/Lew 66 100.50
113.70 113.65 113.70	00 tonnes
7 113.70 113.65 113.70 7 116.95 116.30 116.95 118.00 118.10 118.60	00 tonnes h/Low 66 100.50 70 112.65 95 116.00 60 117.95
7 113.70 113.05 113.70 7 116.95 116.30 116.95 119.00 119.10 118.60 102.85 103.05 103.05	0 tonnes h/Low 65 100.50 70 112.65 95 116.00 60 117.95 00 102.65
7 113.70 113.05 113.70 7 116.95 116.30 116.95 119.00 119.10 118.60 102.85 103.05 103.05	00 tonnes h/Low 66 100.50 70 112.65 95 116.00 60 117.95
7 113.70 113.05 113.70 7 116.95 116.30 116.95 119.00 119.10 118.60 102.85 103.05 103.05	0 tonnes h/Low 65 100.50 70 112.65 95 116.00 60 117.95 00 102.65
7 113.70 113.05 113.77 7 116.95 116.30 116.34 119.00 119.10 118.60 102.65 103.05 103.05 105.00 105.40 105.25	00 tonnes 65 100.50 70 112.65 95 116.00 60 117.95 00 102.85 25 105.00
7 113.70 113.05 113.70 7 116.95 116.30 116.32 119.00 118.10 118.60 102.65 103.05 103.05 105.00 105.40 105.25 Rey Glosa Previous High/U	65 100.50 70 112.65 95 116.00 60 117.95 00 102.85 25 105.00
113.70 113.05 113.75 116.95 116.30 116.95 118.00 119.10 118.60 102.65 103.05 103.05 105.00 105.40 105.25 Sey Close Previous High/I	65 100.50 70 112.65 95 116.00 60 117.95 00 102.85 25 105.00
113.70 113.05 113.75 116.95 116.30 118.00 118.00 118.10 118.60 102.65 103.05 103.05 105.00 106.40 105.25 105.00 105.15 106.00 105.00 105.15 106.00 107.70 107.50 107.70	65 100.50 70 112.65 95 116.00 60 117.95 00 102.85 25 105.00

Wheat 358 (244) . Barley 142 (62) .

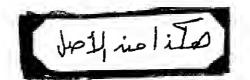
LONDON	META	- WYCH	WOF		Drices eurolis	of by Amelococci	ed Metal Trading
CONDON	Close		Previous	High/Low	AM Offici		Open Interest
			per tonne)	nigircow	AM CINC		nover 9,300 tonne
						rung tu	HOVER 19300 CONTR
Cesh 3 months	2410- 2330-		2375-85 2295-300	2355/2320	2430-2 2350-1	2320-6	20,164 lots
Aluminium	,99.5%	purity (S	per tonne)			Ring t	urnover 750 tonne
Cash Dec. 21	1265- 1270-		1250-5 1265-60	1275/1272 1276	1275-7 1275-60	1270-5	15,404 lots
Copper, G	rade A	(£ per to	noe)			Ring turn	over 33,150 tonne
Cash 3 months	1855-		1755-60 1540-1	1870/1865 1635/1593	1865-7 1626-7	1631-2	65.691 lots
Silver (US	cents/	ine gunci	9)			Ring tu	rnover 60,000 ozs
Cash 3 months	607-9 621-3		608-11 622-5		607-8 621-3		424 lots
Lead (E pe	r longe	<u> </u>				Ring turn	over 11,900 tonne
Cash 3 months	384-6 381-2		378-80 375.5-6	385 384/379	384.5-5 381-1,5	361-2	10.903 lots
dictel IS	er tonn	ne)				Ring t	rnaver 910 tonne
Cash months	13800 12375		13250-300 11750-600	13700 12400/1179	13700-800 5 12200-90	12350-400	5,577 lots
Onc. Spec	tal High	t Grade (	£ per tonnel			Ring	turnover 0 tonne
Cash 3 months	1535-	40	1495-505		1525-35	1525-35	1,248 lots
Zino (S pe	tonne					Ring turn	over 15,575 tonne
Cash 3 months	1630- 1494-		1590-800 1457-82	1630 1507/1486	1630-6 1490-2	1480-5	11,859 lots
POTATOE	S ©lon	ne			LONDON BU	RAION MARKE	,
	lose	Previou	a High/Low		Gold (fine oz)	\$ price	£ equivalent
Feb	65.0	66.0	65.0		Close	418-41812	228-22812
Apr	97.4	97.1	97.4 96.4		Opening	419-41912	228-22812
May 1 Nov	11.5 90.0	111.0			Morning fix Atternoon fix	417.95 419.25	228.138 228.350
		85.5	(O tonness.		Day's high Day's low	41912-420	

2 mon	1494 Ett	·0 1	40/-02	150771466	1480-2	
POTAT	OES Crion				LONDON M	9.2.
	Close	Previous	High/Low		Gold (fine oz	) S
Feb	65.0	66.0	65.0		Close	41
Apr	97.4	97.1	97.4 96.4	4	Opening	41
May	111.5	111.0		-	Morning fix	41
Nav	90.0	85.5			Atternoon fix	
Turnov	er 75   105	) lots of 40	tonnes.		Day's high Day's low	41 41
SOYAE	EAN MEA	L E/tonne			Coine	s
	Close	Previous	High/Low		Maplelest	43
Dec	158.00	157.50	158.00		Sritannia	43
Feb	165.00	165.00	165.50		US Eagle	43
Apr	166.00	165.00			Angel	42
Jun	157.50	157.00	157.50		Krugerrand	41
Turnov	er 97 (86)	lots of 20	tonnés.		New Sov. Old Sov.	96 99
					Nobia Plat	57
FREIGH	IT FUTUR	ES \$10/Inde	x point			
	Close	Previous	High/Low		Silver fix	p/i
Nov	1532	r523	1532 1001		Spot	33
Dec	1568	1550	1570 t550		3 months	34
Jan	1575	1562	1577 1560		8 months	35
Apr	1603	1595	1605 1509		12 months	37
Jul BP	1411 1517	1402 1503	1411 1400			
					CRUCE OIL	_
Turnov	er 542 (24	8)				Clos
Woo						_
			tinued to ea	1		13.2
this w	eek takir	IN The AWC	market ladk	200		13.2
toac	new low to	The seaso	o of 958c o	~~~ I		126
kilogr	am. The o	werolf Hoor	price level i	<b>s</b> {	Turnover: 53	54 (
870. F	or many i	Middle rang	e merino tyr	es		-
prices	s are close	er to the flo	or than this	- 1	LONDON ME	
Indica	ilea ond e	ean al grice	inly concent	rated	STATE OF THE	<u>:~-</u>
of wh	ich remail	iairiy weli	ross-breds i above the fi	oor.	Aluminium (S	_
There	12 70 FEE	Sign of act	tual floor ori	C9	Strike price !	5 to
buyin	g support,	, however, c	JK market		2250	_
condi	Irons cont	ITUR dull an	d more or le	356	2350	
pepro	1858E. (1)8	re is inquir	y and some	}	2450	
eveel	mothing h	Or Drohl ave	91 prices wh in at the flee	- !	Copper  Grad	ie A
level.	Top quot	MONS arour	id 625c per i	ka. I	2900	
L 107 154	s super a	nd 445a tar	Sit ander of	annot	3100	
DU FE	ensero in 1	rading at Br	adiord.		3300	

-						Sel((I	ng weak	cened cof	lee future	S by 15
384.5-5 381-1.5	901	- <b>2</b> .	•	0.903	tota	tn th	e grains	, trading	was very	quiet
301-1,3		<del></del>			O tonne				er cash p	
		ning	aurna	ver y	U WATE				were fea	
13700-800 12200-90		50-400	5	577 H	nts.				hort-cove	
			_	_	0 tonne				ht volume	
	_								a in Dece	
1525-35		5-35		,246 k					continued d session	
	F	ling tur	HOVE	15.57	5 tonne				f the 4 da	
1630-6 1490-2	148	0-5	1	1,859	lots				e of the g eek. Janu	
									97 up 11c	
NDON BU			_			uay.				
d (fine oz)				quiva						
se ening	418-419			2281		Ma	w Y			
ming fix	417.95	-	228	138		146	**	UIR		
rnoon fix	419325	20	223	.350		GOLD	100 troy	oz.; \$/troy o		
a low	4174-4						Close	Previous	High/Low	
						Nov	420.0	417.7	419.2	419.2
ne .	\$ price		£e	quiva	lent	Dec	420.1	418.1	420.7	418.1
plejest	431-436		234	l <sub>2</sub> -23	7 %	Jen Feb	422.7 424.8	420.7 422.9	0 425.3	0 422.7
annia	431-436		234	2-23	712	Apr	430.1	428.3	430.7	429.5
Eagle el	431-436		234	236 i	712 .	Jun	435.5	433.7	436.0	435.0
gerrand	418-421		227	2-22	91,	Aug Oot	441.2 448.9	439.4 445.1	440.0	440.0
Sov.	96-100		54-	5434	•	Dec	452.5	460.7	452.8	450.1
Sov. Na Plat	99-100 579-15-	585 00		54 <b>k</b> 120-31	n est	PLATI		roy oz, \$/tro		
MO I HELL	J-10-	A-0.00	310		1.63		Close	Previous	High/Low	
er fix						Jan				
er xx	p/fine c	<u>-</u>		ots e	quiv	Apr	571.0 570.0	564.8 564.8	57 1.9 57 1.5	566.0 565.5
et Lootha	333.60 343.95		610			ایال	570.8	565.6	670.0	569.5
iontits	354.00		624 638			Oct	573,0	568.1	571.0	<b>571.0</b>
months	374.35		667			Jan	577.2	672.3		<u> </u>
						SILVE		oy oz; cents	Atroy oz.	
IDE OIL S	/bалте!		_				Close	Previous	High/Low	
	Close	Préviou		oh/Lo		Nov	608.3	606.1	0	0 605.0
				-		Dec Jan	609.5 815.0	607.5 612.1	613.5 616.0	615.5
	13.20 13.24	12.80 12.75		.55 1		Mar	624.0	622.2	628.0	623.5
	12.63	11.85	14	3.48 1	3.00	May	634.6	631.9	638.5	635.5
						실배	645.1	642.0	648.0	644.0
nover: 535	3453	1				Sep Dec	656.1 670.5	651.8 686.9	657.0 674.0	657.0 °
						Jan	875.4	671.7	0	0
DON MET	ȚAL EXC	HANGE	TRAL		PTIONS	Mar	687.0	683.1	Ö	Ö
alalum (9	9.7%}	Ca	ile	f	ruts .	COPPI	JR 25,000	lbs; cents/l	bs	
ke price S	tonne	Jan	Mer	Jan	Mer		Close	Previous	High/Low	
}		194	100	47	125	Nov	180.10	148.80	160.00	168.00
,		132	135	83	175	Dec	154 60	142.80	155.00	147.00
<u> </u>		86	97	136	236	Jan Mar	145.50	135.00 122.80	142.50 131.50	137.00 125.20
per  Grad	18 A)	Ca	ils		Puts .	May	131.00 118.00	161.00	119.00	113.00
		388	255	63	235	Jul	111.00	108.00	111.75	107.00
!		240	176	132	362	Sep	109,05	104.00	108.50	108.60
٠.		144	118	234	487	Oec	106.00	102.00	106.00	103.50
					-					

#### Previous High/Low IN THE METAL MARKETS, gold, silver 13.86 13.75 13.69 13.69 13.69 13.69 13.69 13.69 Jan Feb Mer Apr Mey Jun Jul Aug Sep Oct 13.97 13.91 18.65 13.65 13.65 13.65 13.65 13.65 13.65 13.90 14.05 13.78 14.00 14.00 14.00 14.00 14.05 was low due to the upcoming holiday. Copper futures ended the week with a hectic session as prices rose over 1000 HEATING OIL 42,000 US gails, con prices as commission houses were the # High/Low 4572 4530 4410 4165 3865 3805 3800 3850 3850 4544 4476 4351 4131 3811 3791 3721 3710 3766 3906 ices rose 24 in March as commodity selling weakened coffee futures by 159. nly slightly firmer cash prices to Crush spreads were featured in COCOA 10 tonnes;3/tonnes Close : Previ 1458 1516 1514 1510 1815 1517 1538 1460 1517 1510 1510 1515 1615 1535 earlier in the week. January oil closed at 1397 up 11c for the 125.29 125.84 124.74 124.00 122.90 121.50 120.75 125.99 127.43 126.50 125.63 124.75 123.00 124.00 125.50 127.00 125.50 124.25 123.50 0 AR WORLD "#" 112,000 lbs: ca Close Pasvious High/Lor 9.90 10.94 10.66 10.46 10.26 6.75 10.00 Close Previo us High/Low 53.80 54.70 54.85 54.70 54.75 52.74 53.78 53.90 64.70 54.85 Close Previous High/Low 167.35 168.20 168.00 166.36 164.80 161.25 169.25 168.35 166.40 168.60 166.70 164.75 181.25 159.26 159.25 Jen Mer May Jul Sep Nov Jan Mer Nov 22 Nov 21 must ago yr ago 1844.6 1842.7 | 891.5 1691.7 DOW JONES (Base: Dec. 31)1974 = 100) 134.70 139.23

_				
SOY/	BEANS 6	,000 bu min;	cente/60fb	bushel
	Close	Previous	High/Lov	
Jan	755/2	750/6	. 756/0	748/0
Mar	766/6	769/0	768/0	759/4
May '	769/2 767/2	767/4 767/2	770/0 770/0	764/0 763/4
Aug	760/4	758/4	751/0	758/0
Sep	719/0	717/0	720/0	717/0
Jan .	693/6 699/4	696/0	695/D	691/4
			•	٠.
SOY	MEAN OIL	. 60,000 lbs;	cents/lb	
	Close	Previous	High/Lov	,
Dec Jan	. 21.76	21.73	21.85	21.67
Mar	22.02	22.55	22.12 22.60	21.95
May	23.05	23.07	23.10	22.58
Aug	23.60	23.52 23.65	23.57	23.45
Sep	23.80	23.82	23.75 23.90	23.60 23.60
Oct	23.80	23.85	23.90	23.80
SOYA	SEAN ME	AL 100 tons:	Silon	
•	Close	Previous	High/Low	
Oec	247.4	247.0	248.3	244.0
Jan Mar	247.6	248.1	248.7	244.5
May	240.5	245.9 241.2	247.0 241,5	243.5 238.5
Jul	235.5	235.2	236.0	234.5
Sep	224.0	229.0 224.0	230.0	228.0
Oct	218.5	215.0	215.0	220.0
MAIZ	E 8,000 bu	min; cents/5	6th bushel	
	Close	Previous	High/Low	
Oec	263/2	262/6	264/2	262/0
Mar	272/0	271/6	273/2	270/4
May Jul	275/4. 278/4	275/8	276/6	274/0
Sep	262/4	262/6	277/6 263/4	274/2
Dec Mer	256/6	255/2 259/6	256/0	253/6
_		min; cents/	261/0 .	259/0
_	Close	Previous	High/Low	
Dec	418/0	415/0	418/4	415/2
Mar May	423/6 408/0	416/6	423/6	4 19/0
Jul	381/6	403/0 379/6	382/0	484/0
Sep	365/0	385/0	385/4	378/0 384/4
Dec	393/4	394/4	393/4	391/4
	Close	.000 lbs; cen		
Dec	73,47	Previous	High/Low	
Feb	73.27	72.77 . 72.57	73.65 · 73.47	73.07 72. <b>65</b>
Apr Jun	74.42	73.72	74.50	73.95
Aug	72.75 70.80	72.35 70.26	72.65	72.50
Sep Oot	69,70	69.50	70,75 89.70	70.30 0
	60.65	69.12	89.70	69.30
TAE H		00 lb; cents/1	irės .	
Dec	Close	Previous	High/Low	
Dac Feb	38.90 43.17	39.75	40.25 ·	39.65
Apr	42.30	42.70 41.82	43,40 42,47	.43.00 42.15
lun Jun	45.22	46.87	46.40	46.00
Aug	46.65 45.60	46.20	48.67 ·	46.35
Oot	42.85	45.77 42.30	46.00 43.10	45.60
Dec	44.60	44.97	44.50	42.50 44.20
PORK	BELLIES 3	8.000 lbs; ce	nbs/ib	
	Ġlase	Previous	High/Low	<del>.</del> -
Feb Mar	42.80	42.37	43.30	42.50
May	43.40 45.17	42.77 44.85	43.85	43.12
لها -	46.22	45.65	45.40	44.80



#### LONDON STOCK EXCHANGE

# Property sector features firm equities

WITH WORRIES over the US dollar temporarily eased by the Labour and Thanksgiving holiday in Japan - and the pros-pect of today's Thanksgiving Day break in the US markets London's equity sector con-tinued to respond to favourable developments on the home

front yesterday.

The generous pricing of the \$2.5bn British Steel flotation, followed by a £1.3bn bid for Hammerson Properties Investment & Development from Rodamco of Holland, indicated a healthy input of market activity. The British Steel pric-ing was at the low end of maractivity. The British Steel pricing was at the low end of market forecasts, and requires only a first payment of 60p a share over the past two sessions.

The second secon

The state of the s

enew

The strate of th

190 lar s

in my la though

To the be

lawi tobac

Sales red

ed Hall in Blan

in the late

7.75

12 122

hand ber at the

100 100 15

a like proper

人名阿拉克

Now The Greek

e distributi La Mandaga p

20,000,000

... 0 500 45 er a tutte

 $A(x) \to B(x)$ 

Mark

1 m 4 5 fe

go

Account Dealing Dates Nov 14 Dec 12 Option Declarations: Nov 24 Dec-8 - Dec 22 Account Day:
Dec 5 Dec 19 Jan 9

next week, with the second 65n

payment not due until next otember. ued among store shares, where US buysrs took a hand in the

US buyers were also visible the Internationals improved despite the absence of a lead from the dollar in European currency centres. Glaxo, Han-son and Beecham were led for-ward by demand for their respective American Deposi-tary Receipts, and BAT Industries were firmer on the announcement of higher profits in the first nine months of

the year.
There was no further lead, however, from the oil stocks which were left hanging as the market waited for confirmation of progress at the Opec pricing negotiations: a positive view was taken of yesterday morning's brief adjournment of the talks, but opinions on the outlook for global crude prices remain uncertain.
With both Japan and New

York firm overnight and the Hammerson bid annunced very early in the day, London opened in good form. A good two-way trede developed across the broad range of the equity market, and share prices renewed their advance fter brushing off a brief bout of profit-taking

The FT-SE Index closed a shade under its best, as Wall Street made a sluggish debut, and showed a net gain of 15.8 at 1837.1. Seaq volume again increased, with the day's total of 581.8m shares comparing with 486.4m on the previous day. The traded options market had its fifth busiest session as the current share contracts expired. Traded options in the FT-SE Index contract were also busy, recording the second most active session.
The holiday closures in New

York and Japan has left Londnn equity traders feeling exposed ahead of Friday's session which will feature the UK October trade figures, as well as the close of the current equity trading Account. In these circumstances, dealers were pleasantly surprised by the appearance of US buyers in London yesterday.

pers of a possible property sale in docklands.

bit for naminerson. Gos A shares rose 10 to 1033p.

Dixons, said by dealers to be squeezy, added 8½ to 146½p after the completion of another

Since Compilation High Low 127,4 (9/1/35) 88.29 88.21 87.94 734.7 43.5 (15/2/83) (26/10/71) S.E. ACTIVITY 4.78 12.00 10.09 24,003 1038.54 Ord. Ol. Yield Ord. Ol. Yield

Earning Yid %{full)

P/E Ratlo(Net)(±)

SEAC Bargains(5pm)

Equity Turnover(£m)†

Equity Bargainst

Shares Traded (ml)† 23,251 935.12 23,729 317.0 GIII Edged Bargains 92.8 Equity Bargains
Equity Value
5-Day average
Gill Edged Bargeins 1213.52 25,760

FINANCIAL TIMES STOCK INDICES

●Opening ●10 a.m. ●11 a.m. ●12 p.m. ●1 p.m. 1494.7 1494.1 1494.5 1497.1 1497.6 DAY'S HIGH DAY'S LOW

#### 93.2 1890 1 **Equity Value**

#### Share Index: Tel. 0898 123001

#### Dutch sighting shot

The hustile offer for 920 Hammerson, the UK's third largest property group, brought an early rush to a property sectur caught off guard by the news. Recent speculation had assumed that when Rodamco, the Dutch con-cern, increased its UK property portfolio, it would line up Brit-ish Land as a target. Instead, it, has turned to Hammerson with has turned to Hammerson with

has turned to Hammerson with a cash bid of £1.3hn.

Warburg Securities initially attempted to build on Rudamen's small holding of some 2.9 per cent of Hammerson. However, both classes of the latter's stock soon ont--paced their respective offer prices, denying the securities house any real buying opportunity. The ordinary eventually soared 156 to 865p and the "A" 179 to 854p.

A property specialist said: This is obviously a sighting shot. The group, with large mutual shareholder Standard Life, must now negotiate and hopefully come to an agreement". Hammerson is considered a major prize and thought to be worth considerably more than the terms offered by Rodamco. There are probably several groups tracking events, including British Land, MEPC. Hong Kong Land and AB

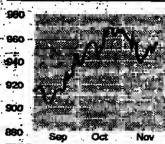
Most analysts rule out AB Ports in view of the recent defection of Mr Nigel Ellis, a former Hammerson strategist, to AB Ports. But one suggested that Standard Life itself could assume the role of white knight, if Hammerson deter-mines to stay independent.

Store housing

dealers were expecting a quieter day. In the event, the shares jumped another 13 to 213p in massive turnover of

The combined trade this week represents nver 10 per cent of Storehouse equity, leading to heightened speculation that a stakebuilding operation has been under way. Dealers and analysts were at a loss to explain what might lie behind the activity, but a host of stories continued to circulate, mostly repeating what has been said earlier. One significant variation was the reported presence of US buying interest, latterly via the ADR market-There was also talk of Swiss huying amid general uncertainty as to what was going on. Storehouse unveiled its new Kensington flagship store vesterday, but this was overshad-

#### FT-A Ali-Share Index



owed by the market activity. One dealer was said to be per-sistently bidding for whatever stock could be found at around the 215p level and was reported to be willing to buy in very large size. Other dealers were forced to follow suit to protect their positions. Speculation about a bid was dismissed by some analysts who said the most likely target in the sector is Ward White, also active yes-

#### BTR strengthen

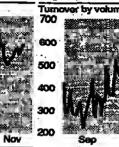
News from its fast-growing and successful subsidiary, BTR Nylex, sent BTR significantly nearer the 300p barrier. The shares closed at 294p, a gain of 6%p after much improved turnover of 4.6m as one marketmaker aggressively chased

the stock.

BTR Nylex has disposed of its Australian brick and pipe manufacturing interests to a subsidiary of Redland. The deal was described by analysts at Hoare Govett as, "superb for BTR - the exit price is excellent". Hoare rates BTR shares a very strong buy and says it has raised its profit forecast for

ment: One other major brick manufacturing company is believed to have been offered the deal and baulked at the price. Sources in the market said Redland had paid a top of

#### **Equity Shares Traded** Turnover by volume (million)



the cycle' price, but Redland shares yesterday edged better to 430 %p, after 432p. Cable & Wireless moved to

increase its offer for Telephone Rentals, upping its bid from 305p to 340p a share in cash, but also including the alternative of cash plus convertible stock. C & W described the offer as "final, unless a rival bid emerges." The increased bid values Telephone Rentals But the latest terms only

drew a similar response from Telephone Rentals as the orginal offer — "wholly inadequate" - and the company advised shareholders to "take no action". Telephone Rental shares drifted back to end the session a net 2 up at 335p. Courtaulds and many other Textile stocks were put on hold after the sector leader dis-

closed the expected shortfall in mid-term profits yesterday. The figures, although coming at the lower end of the range, were less an influence. how-ever, than the ensuing meeting with analysts. This was deemed a strange affair. Said a researcher: "One usually gets a feeling on where the group is

the most optimistic expectatinns, and ended only a shade firmer at 445p.

International issues rose with the improvement in mar-ket sentiment, with pharma-

#### ceutical stocks recovering some lost grnund. Hanson stood out with its rise to 152 %p m turnnver of 11m shares, following news that it will bid via a subsidiary for a UK commer-

cial radio franchise.

The surge of buying enthusiasm aroused by the bid for Hammerson brought spectacular gains to other Property groups. Most settled below the day's highest levels but the close still saw numerous gains ranging tn dnuble-figure amounts. The two majors Land Securities, 609p, and MEPC, 593p, were around 13 up while Brixton Estates jumped 16 to 369p, British Land 10 to 390p and Greycoat 13 to 444p. Excel-lent annual results aided Irmy Merchant, 8 higher at 428p. and Mountleigh rose 5 to 187p after news that the Galerias consortium had bought a further 13.8m shares at 200p each, increasing its stake to 21.5 per

Another sharp increase in oil prices - Brent for December delivery jumped some 45 cents more to around \$13.50 yesterday with the market citing increasing signs that an agreement on output could be in place by the weekend - helped oil and gas issues progress fur-

BP old, turnover 8.6m, added 11/2 to 247p and the new, turnover 6m, 1% to 145p. Enter-prise, heavily sold recently, bounced 10 to 527p with dealers confidently expecting news of LASMO's sale of its 25.2 per

But John Toalster at Hoard Govett is taking a bearish stance on oil prices and oil shares. "We are looking at another fudged solution for a month or so, which will encourage the market for a former Hammerson strategist, to AB Ports. But one suggested this year from £960m to a problem that Standard Life itself could able £10m. The disposal, by assume the role of white raising capital, linware the BZW thought there was a risk of limited downside in, the oil price will slide that the oil price will slide towards \$100 a barrel or less. The disposal by an acquisition earlier this year to less than three times earnings.

Store housing

After Monday's unusually heavy trade in Storehouse, ness which is said to be in nest optimistic expects.

BAT Industries made scant response to third-quarter results, which exceeded all but as persistent switching operations lifted the shares 5 to operations lifted the shares 5 to

operations lifted the shares 5 to 414p. Other banks also made progress. NatWest edging up 5 to 552p, Barclays 31/4 to 421p and Lloyds, boosted by the renegotiated terms of the deal with Abbey Life, added 1% at

337p. Merchant banks showed SG Warburg 2 firmer at 314p after the bank revealed half-time profits of £47.81m against last time's £76.83m.

The building majnrs were given a substantial push fol-lowing the bid for property group Hammerson. Taylor Woodrow, where P & O has a 10 per cent stake, jumped 13 to 611p, Turriff 7 to 304p and Costain Group 6 to 324p - "these are as much property plays as builders" one analyst com-mented. George Wimpey jumped 8 to 25ip amid whis-

Magnet dropped 11 to 206p after disappointing interim figures which caused SBCI Savory Milin reduced their full-year estimate to £67m.
Manders leapt 9 to 222p after
Sir Ron Brierley's IEP said it
had upped its stake to 10.33 per

Storehouse led a dramatic revival nf the Stnres sector, with must leading issues recording good riees in improved turnover, spurred on by some aggressive market-making. There was a high degree of mystification among dealers, who found it hard to give fundamental reasons for the rise and expressed concern that the sector could turn around as fast as it has risen. Woolworth canght the eye with a rise of 13 to 264p in turnover of 3.9m, boosted with GUS on property factors by the bid for Hammerson. GUS 'A'

bed and breakfast deal. Sears had a late run to close 3 higher at 131½p as 8.8m shares went through, while Burton gained 4 to 191p in turnover of 3.2m. Ward White rose 9 to 268p in good turnover amid sentiment

deprived as improving.

British Aerospace put on 6½ to 477½p but traders saw the improvement as unexceptional and in line with the market. Twn special factors which may be influencing the price are the fading of hopes for a Rapier contract with Turkey and the possibility of unlocking portions of the group's property holdings. Enthusiasm for Eurotunnel

has consistently been most

# TRADING VOLUME IN MAJOR STOCKS Votation Cleans Carri 0001 Price Carrie

marked on the French side of the Channel. This was demonstrated yesterday when a sharp rise of 22 to 4320 in Eurotunnel units reflected the appearance of French investment demand in the face of lacklustre inter-est from UK investors, BZW said the shares are the most under-researched stock in the London market and could reach between £12 and £18 when the Tunnel is open.

Caught up in the prevailing excitement in the property sector Trafalgar House put nn 9 to 324p and P&O rose 12 to 582p. Turnover in Plessey quick-ened during the afternoon and eventually settled at 7.4m, but the share price ended the session a shade off at 221p with one prominent marketmaker said to have sold the stock aggressively towards the close. STC dipped 2 to 275p - "they

will remain weak as long as the "white knight" stories do the rounds," nne trader said." BICC moved up 7 to 392p with talk of a takeover bid accompa-nying news of an Italian acquisition.

Mercury Asset Management delighted the market with interim profits described by a sector researcher "as pretty robust figures and most certainly above my estimate." This year has been particularly depressing for fund manage-ments groups some of whom have recently reported awful results. But MAM's success at getting new clients un board has helped resist the trend, influencing Mr Hugh Pye nf County NatWest WoodMac to revise his full year profits fure-cast to £39.5m. The shares responded with a rise of 20 to

made it the fifth hysiest day ever, at 65,242 contracts, made up of 46,405 calls and 18,837 puts. The hid for Hammerson boosted both the property sec-tor and the index in general, and helped trading in the FT-SE 100index contract to its second highest day ever, with calls of 8,086 cnntracts and puts of 7,561 puts making a total of 15,647on the matched basis struck just after the close. Trades not immediately matched carried the index total to 16,590. It was expiry day in the individual stocks, which appeared to lead to business including some rolling on of

Activity in Traded notions

Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 27

#### **NEW HIGHS AND LOWS FOR 1988**

MEM HIGHIS (19) AMERICANS (1) CARROTIAL Engy., SHIRLDINGS (2) McLaughlin & H., Manders (Hidga.), Pochine, CHERINCALS (1) Chemosy Inff., Pictine, Chemicals (3) Erisson (L.M.), Monvier-Swain, Microvine, Plasmoc, Sanderson Elect., Engane Plasmoc, Sanderson Elect., Engane Plasmoc, Sanderson Elect., Engane Plasmoc, Plasmoc Foods (1), Firm (G.M.), Shnon Eng., POODS (1), Low (W.), Mollottifikal) (13) Bodycote Inff., Celestion, Cooper (A.), Cozait, Deen & Bowes, Eis, Henson, Marlinbird, Nil-Swift, Sorce Grp., Shanks & McEwen, Whotman Reeve, Wylor Grp., Malifancs (1), Allianz, LIESURE (9), Altrours, Capital Badido, Centrol TV, MEMBARERS (2) Scietol Evs., Post. Collins William (1), "PAPIERS (1) Cunded Grp., Michael Chemon, Bilton (P.), Ettah Land, Strober Exc., Chessardisch, Landon, Stribe, London, Ettah Land, Stribe, London, Editon Sec., London, Editon Landon, Stribe, London, Editon Sec., London, Editon Landon, Stribe, London, Editon Sec., London, Editon, Landon, Editon, London, Edito British Land, Brisdon Bat; Chesterfield, Eds. & Agency, Greycost Land Sec., London Shoo Sec Cv. 19-19. Dos & 25cc 19-04. MEPC, Randmeorth Tat., Scot. Metrop.. Slough Ests., Do. Spc Cv. 19-94, Do. Spc

Cv. Sd. 2003, Warmford Inv., ShipPenG (1) Tiphook, TRUSTS (5) Derby Tet. Inc., Draye E. Wrnds. 162-191, Floring Universal, M. & G. Duel Inc., TR Prop. Inv. Tst., Oil. 5 (1) Monument Cil. MSNES (1) Meckatherra. MONUMENT (OIL METTER (1) MONUMENT LOWER LOWER (SE)
CANADRANS (1) Vard Hidge, ELECTRICALS
(4) CPU Computers, Innec City, Peek,
Sherwood Comp., ENGINEERING (1) Hobson,

SPORVEOG COMP., ENGRIPERING (1) Hobson, POQUE (1) Acatos & Hutcheon.
PSULSTRIALS (18) Baster Int'l. Inc., Buschird Toys., China Light, Johnston Grp., Leidiaw Thomson, Mairmest Pidgs., Pavice Int'l., Sturp & Law, Do. 3-200 Cv. Pt.; Whitington, Resumplance (2) Amer. Int'l. Grp., NEI Corp., PAPERS (1) AMIS Porter, Int'l. Grp., NEI Corp., PAPERS (1) AMIS Porter, Int'l. Grp., NEI Corp., PAPERS (1) AMIS (2) Century, Samplipper Oil. MINES (8) Butte Min., East Rand Prop., Bracken, CHGO, Leeke, Paleart Res., Highwood Res., Hornestake Min., THESD

## ESSENT LE LUXURY YOUR BUSINESS CAN AFFOR D

This new asclusive collection could only have come from the FT. Everything is designed to make the right impression — both in forms of elogance and efficiency. Every New is lived in FT-pick moiré silk oud is available either in superis, handwo a superior imitation with the look and feel of real leather. So all testor and hadness are extered for.

THE IDEAL CONFERENCE COMPANION

The F7 Conference Folder benefits from our experience of anising successful conferences workhuide. The unique ring binder organising successing conneronces worthwave, the unique ting univer-affewayon to organise your material for easy reference. If s equipped with a calculator and a supply of plastic leaves. There are pockets to stone papers and cards, large and small notepads and two new

LARGER THAN A FOLDER - SMALLER THAN A BRIEFCASE

The FT Document Case is so versalite it's more like a minit-briefcase. A ring binder system provides easy reference to papers, while pockets take A4 shoots, it also has plastic leaves, ops, and a lockable zip. A smart, secure way to carry

WHY DIDN'T SOMEBODY THINK OF IT BEFORE?

Extential for the business pesson on the move, the FI Travel Organiser contains everything you need — all in one place. Pockets for traveller's cheques, airline tickets and currency; sections for your passport and chaque book. The ring bioder is littled with a detectable wallet with space for currency and credit cards—as well as a zip-up pocket for coinage. Handy for inceping UK and foreign mone separate. Compatible with the Travel section from FT Factors DESIGNED FOR THE PRIVATE INVESTOR

The FT Personal Investment Portfolio enables the private the F1 PERSONAL MINISTREMS POLICIES OF ADDRESS THE PERSONAL MINISTREMS AND ADDRESS THE PERSONAL MINISTREMS AND ADDRESS AND ADD ided are those for shares, overseas investments, insurances and analysis. Includes a untegod, FT Pink Pockel Diary and secure locks. THE WORLD'S MOST APPRECIATED **BUSINESS GIFTS** 

Fi Essentials with he doubly welcome if they are person with the recipient's initials in high quality, long-tasting goldhicking.

Or you night wish to include your company name or logo — the
partied why at ensuring your clients will think of your company every section day. We can even include publicity pages about your company to promote your firm. In fact, for total exclusivity, we can produce any of our products in any colour or material. THE FT COLLECTION - ATRADITION OF

Floancial Times Essentials is just one range of superbly crafted items in the FT Collection. Others include the famous FT Desk and Pechet Diaries, the FT Factoraster personal filme and task

**EXCELLENCE** 

agement system, and, new for 1989, the stylish FT Wall Calendar. Discounts of up to 25% on hells orders — providing you criter well in advance. To qualify, you must order 25 or more items from the same product range, flowwer, we do appreciate that it may be difficult to complete your final gift list early in the year. That's w we offer to reserve FT gifts for you without obligation or committee the year final offi list early in the year. That's with Contact as now on 01-799 2002. Let the Fi produce a special gill for you. Why not use our

experience and knowledge to produce a specially commissioned gift of your choice? We'd welcome the opportunity to discuss your ideas, Send for the free FT Collection catalogue now or send the affached order form to The FT Caffection. 7th Floor. 50-64 Broadstay, London SW1E ODB. Tel: 01-799 2002, or send a



ATRADITION OF EXCELLENCE FT Besidess Information Ltd. nd Office, Bracken House, 10 Cappon Street, London FC4P ARY.

# **APPOINTMENTS**

#### **Senior posts** at ASDA

 Mr Chris Egan, trading group controller for bakery and customer restaurants, has been appointed the divisional director at ASDA responsible for the fruit and vegetable range. Mr John Reynolds, formerly trading group controller for chilled provisions and frozen food. has become divisional director (meat and poultry). Mr Reynolds succeeds Mr Mike Allison, who has moved across to ASDA Manufacturing as Millar, formerly chief en made executive, has b chairman of ASDA Manufacturing.

m Mr Kric Parker has been appointed deputy chairman of TRAFALGAR HOUSE. He will continue as group chief evecutive.

■ Mr Jan Pilkington-Miksa, has joined MERRILL LYNCHin London as an executive director - mergers and acquisitions. He was former! a managing director and head of corporate finance at. McKinley Allsopp Inc., a US investment banking company

**■ PREMIER CONSOLIDATED** OILFIELDS has appointed Mr Gijs Verspyck as director of exploration and production in succession to Dr Herbert Westerhausen who is retiring.



Mr Walter Bourne is to become deputy managing director of BOWTHORPE HOLDINGS on January 1. He has been international director of the Crawley-based electrical and electronics componentgroup since 1981.

chief geologist of Shell

E RAINE INDUSTRIES has the board of Hall & Tawse Scotland. He joined the designate.

■ Mr Neal Cline has been appointed sales director of DATA NETWORKS, part of and marketing director for Arthur Anderson's FM



Mr Verspyck is retiring as

appointed Mr Alan Tough to company last May as director

the Sema Group. He was sales



Mr Robin Gaskin as managing director. Mr Mike Sutherland has been appointed commercial director. Mr Gaskin was with Investments, and Mi therland was with Reed Packaging. Mr Tony Norton has been

appointed marketing director of WADDINGTONS GAMES. He was deputy managing director of Copyright Promotions.

■ T&N has appointed Mr Alistair McWilliam as managing director of its UK cylinder component subsidiary, Wellworthy. He continues as managing director of sister company Hepworth and Grandage.

Mr Maxwell E. Taylor, senior partner of Grimley J.R. Eve, has been appointed a director of NATIONAL WESTMINSTER BANK's West Midlands and Wales advisory board.



Mr Stephen Scott-Smith has been appointed group finance director of the ALDEN PRINT-ING GROUP. He was previ-ously finance director of the Cristie (UK) Group and before that held several senior financial positions with Raychem Corporation in Belgium and the US.

■ The board of the storefitting division of SHARP & LAW is as follows: Mr Peter Taylor and Mr Norman Robinson, joint managing directors of Sharp & Law Storefitters, Mr Ken Rowlinson, managing director of Multiflex, and Mr Nigel Wilson of Allpian.

■ Mr Ian Smith has been

appointed a director of ISIS GROUP, Swindon. He will be responsible for marketing strategy.



#### FT UNIT TRUST INFORMATION SERVICE

# **AUTHORISED** His American ... 5 \ 1225 4 225 4 240.514.0.312.37 Capital House Unit Tst Bigst (0905)H Coltal House Unit Tst Bigst (0905)H Coltal House Fethers Square, Endebryis (S1.228.4477) European Gentle 18... 5 \ 20.45 20.52 2 **CROSSWORD**

#### No. 6,794 Set by HIGHLANDER

- ACROSS

  1 Widespread disease, extremes of painful shiver-
- ing....(6)
  4 ....and not, it's said, the main cause of sickness (6)
  8 Bigwig goes round, mixing a lot: that's of crucial impor-
- tance (7)
  9 Plain dish finished with gold (7)
  11 Observe key girls making spectacles of themselves
- 12 Achilles shakes off ailments but pain remains (4) 13 Keep an eye on the timekee-
- per (5) 14 Team will need most of the last hour, they say (8) 16 On condition that it's sup-
- piled (8)

  18 The muddled edges of idealistic principle (5)

  20 Not generous but average
- (4) 21 Not included in a race com-
- mentary (10) 23 Putty's a funny mixture to kecp in place (4,3)
  24 Battle commander put
- together section containing explosives (7)
- 25 Ridge of rock queen's jacket
- (6) 26 Very complicated but oot, for an auditor, unknown (6)
- DOWN I Publicity giveo to girl out-side tollet (5)

- 2 In the middle of change, most nag (7) 3 Not embarrassed by girl getting thumped (9)
  5 Finally almost complete set
- of maps (5)
  6 Place in situ at every opportunity (7)
- 7 A way to meotion about having no interest (9)
  10 Shifting stance and climbing (9)
  13 Sauce like Jeeves' boss put
- on tongue (9)

  15 Watch the road bad weather produces visual
- 17 Beard those in front ditch
- (7)
  19 Successful person very popular wounded by bullet (7)
  21 A pleasing French accent (5)
  22 Egg cells line reproductive organ (5)



Ampli in Spirity ...54 (27.73 Mayes Lift (1.0000) in Commander Unit Test Mayes Lift (1.0000) in Commander Spirity ...51 (1.0000) in Comman ton Unit Tst Mayt Ltd (1200)F Rost, Physioph PL1 388 0752673073 Prince ......5106.94 57.25871.621......[283 Demontal Series Can. 3-5, 12-39 43-79 48-277-011914-00

Durnerall Unit Tat Mayort Ltd (1400)F

SAS: James St. Louden SWIA J.T.

Demontal Bergian Sw. 3-1, 192-78 92-70 92-78-18-18-12-20

Demontal Bergian Sw. 3-1, 192-78 92-70 92-78-18-18-12-20

Demontal Series Sw. 3-1, 192-78-12-20

Demontal Sw. 3-1, 192-12-20

Demontal Sw. 3-1, 192-12-Torque Star Unit Mogrs Ltd (1900)4

Eagle Star Unit Mogrs Ltd (1900)4

Sub Road Cestesham GLS3 740

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 (1900)4

10 FMS Investment Magnit Ltd (0905)F 31 San Strett Loadon EC2 N20P N13 har Prelis \_\_278.20 78.20 80.20 1111[7.19 N13 Sar Strett Loadon FC3 N20 80.20 1111[7.19 N15 Gath Prelis \_\_271.35 71.35 73.17-4.68(20) min 277.57 71.57 73.774.0512 open Managers Ltd (2000) it was 4 3.052 open Managers Ltd

Hambro Generali Ford Mors Ltd (1000)H

| Section | Sect Japan 6 Per 6th ... 51-04, 90 640 94173-791-0,110.00

Legal 6 General IU.T. Myrs List (1200)8

Admin 5 Porteion Road, Fratton, Brestwood Essex

Legalvires I227-227900

Early 0 Na. ... 51-289.0 289.0 300.4 1-27 73.10

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 73.17

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 73.17

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 73.17

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 73.17

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 73.17

Early 10 Na. ... 51-289.0 289.0 300.4 1-27 10.10

Early 10 Na. ... 51-289.0 289.0 289.0 289.0 10.10

Early 10 Na. ... 51-289.0 289.0 289.0 289.0 10.10

Early 10 Na. ... 51-289.0 289

### Commerce | 1971 | 1972 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1973 | 1

#### **GUIDE TO UNIT TRUST PRICING**

The price at which units may be sold.

The price at which units may be sold.

The price at which units may be sold.

CANCELLATION PRICE.

The maximum spread between the offer and hid prices is determined by a formula laid down by the povernment. In practice, unit trust managers quote a much marrower spread. As a result, like hid price is offer set well above the minimum permissible price which is called the cartesilation price to the table. However the hid price todate be moved to the cancellation price in the table. However the hid price todate be moved to the cancellation price in the table. However the hid price todate the moved to the cancellation price in the table. However the bid price todate of solts over however.

Pembrake Administration Ltd (1700)F 18-19 Smelland St. Louden WCLR 4PZ. 0222 484948 Pembrake Access 3564.07 64.07 57.91 0.00 Japanere Gerth ... 54, 190.33 91.44 97.80 h.008ib. 01

Prolific Unit Tst Museus Lid CL0903H
222 Sishwoopte, Looken EC2
American income ... 5 46.84 46.84 90.09 6.03 46.56

Cone & Gill, 5 ... 55, 118.2, 119.94 128.0 0.02 5.85

Evro Berth & ... 55, 118.2, 119.94 128.0 0.02 5.85

Evro Berth & ... 50, 118.2, 119.94 128.0, 10.2 5.65

Erriz Income ... 5, 224.6 229.9, 40.2 0.02

Far East ... 5, 224.6 229.9, 40.2 0.02

Far East ... 5, 224.6 36.37 66.37 6.50 0.03

International ... 117.1 117.1 125.1 67.80 0.03

For & Errich ... 5, 20.00 80.00 0.00 92.0 2.00

Prof & Federic ... 5, 40.00 94.99 0.00 92.14

Technology ... 10.00 94.94 111.5 -0.50.98

Provisional Capital FM Mars 145 (10.00)8

Productial Helianon Unit Tels Ltd (1445)H 51-67 Hard Rill, Word, Elex IC1.201. 01-478 3377 Helian LinkLine 0000 010345 

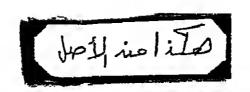
Ressburg Fund Managers (1200)H Shiftonie C., Tabahan S., Liverpool. 051-227 2030 Ind Growth ......54 (41.04 41.04m) 43.931-015(1.24 Rock Asset Higart Clinit Trust) Ltd (09051F Park View House, Front Street, Beston Newscale upon Types 457-772 (091) 215 0077 Evennet Namespale 514-00 49-51 52 001-0 1812 57 Exemer Managed | 5149.00 49.51 | 52.0014/18/2.57 N.M. Rottmethis Fund Magnet CL000/pc | 55.50 kindrid N.M. Rottmethis Fund Magnet CL000/pc | 65.50 kindrid N.M. Lang Legisla EEC | 67.50 kindrid N.M. Lang Kandrid N.M. Lang Kandrid N.M. Lang Kandrid N.M. Lang N.M. Lang



Millia La la

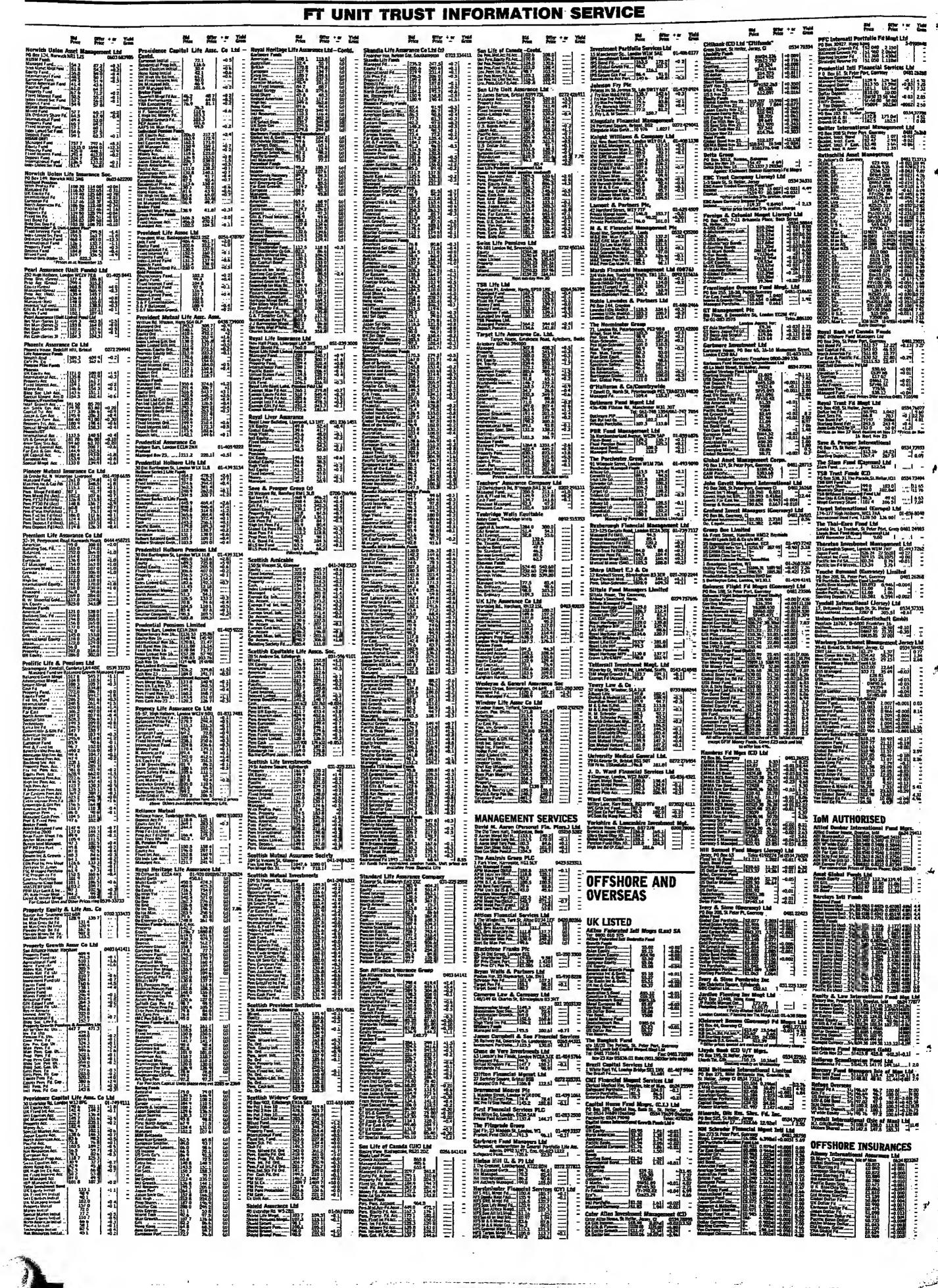
C. H. Harry

11 m



# The second secon FT UNIT TRUST INFORMATION SERVICE Bid Stier + or Yield Price - Greek Offer + er Price Legal & General (Unit Assur) Ltd 2 Monteffore Road Most, 845 15E Beits Opportunities. 97.5 Beits Opportunities. 97.5 Beits Opportunities. 97.5 Beits Opportunities. 97.5 Beits Opportunities. 104.9 Beits Opportunities. 105.4 Beits Opportu 172.22 219.97 139.71 147.06 370.08 347.45 215.40 227.26 254.01 254.01 331.42 3-8.86 MIDA Etal .155.0 | Mingright | May 25 141.00 149.41 168.11 178.97 168.11 178.97 199.15 799.75 199.85 947.25 288.85 251.40 227.65 297.75 141.94 151.15 170.06 177.62 155.97 254.75 421.62 441.82 ### British Residence | 100 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | ----| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 368.2 -0.5 279.2 -0.5 279.2 -0.5 270.0 -0.6 270.0 -0.5 287 -0.3 185.0 -0.3 185.0 -0.3 185.0 -0.3 **INSURANCES** The state of the s Assisted Ass

100

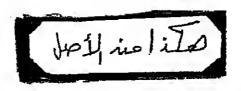


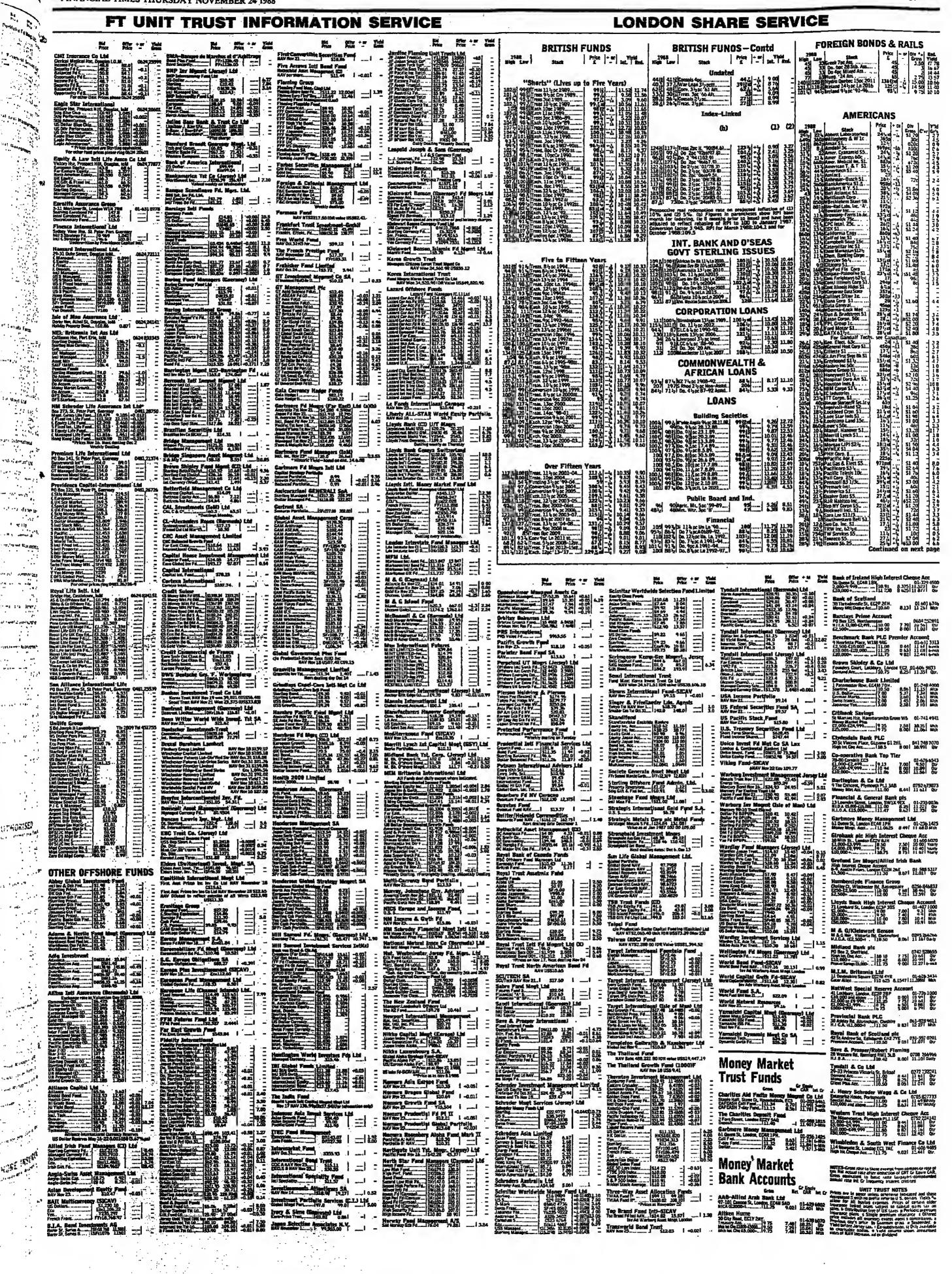
Jell in lite

MBER 24 IR

r (Led 5, Sev)

. . . .



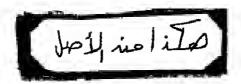


38		FINANCIAL TIMES THURSDAY NOVEMBER 24 1988
	LONDON SHARE SERVICE	
### ATTERICAMS - Contid    1986	ELECTRICALS  ENGINEERING—Control  INDUSTRICALS  INDUSTRICA	STRIALS (Miscel.) — Contd INDUSTRIALS (Miscel.) — Contd.



Jel in 1 ID

Cell) College



FINANCIAL TIMES THURSDAY NOVEMBER 24 1988	LONDON SHARE SERVICE	
1988   Stack   Price   Stack	10   10   10   10   10   10   10   10	1988
211	1988   High Law   Stack   Prize   -   Net   C'ur Gar's   1008   935 (ratton ins. 194. v   1142. a) 0.26   1.9   1.1   1.2   1.0	DVERSEAS TRADERS    11
MOTORS, AIRCRAFT TRADES  MOTORS, AIRCRAFT TRADES  239    16-digeneral Motors   222d + 1   025d   6.2   1266   6.2   195   116   5.1   1.3   2.4	522 \$17/Camella ims, 100 \$19 117.0, 2 11 12 32 15.0 Warrants \$10 Warrants \$10 \$19 117.0, 2 11 12 32 15.0 Warrants \$10 \$10 Warrants \$10	Rubbers, Paim Oil   14   63828 Barnett 27   Price   8v   12   1   1   1   1   1   1   1   1
85 70498TS105	102   2890. Wrms.   V   485   213.2   0   3.6   548, 960 (8 shitch lide) DOLINO.   544   1   1   1   1   1   1   1   1   1	Certifal   Rand   174
188Ferry Group	73 55F & C Smaller Cos. # 6972	Far West    1878 syoor 25c.
PAPER, PRINTING,  ADVERTISING  1.0 1-096  Solar A Scientic Ser. 17  2024 Mont. Md Vice Ser. 17  2034 Mont. Md Vice Ser. 17  2035 Mont. Md Vice Ser. 17  2036 Mont. Md Vice Ser. 17  2036 Mont. Md Vice Ser. 17  2037 Mont. Md Vice Ser. 17  2038 Mont. Md Vice Ser. 17  2049 Mont. Md Vice Ser. 17  2050 Mont. Md Vice Ser. 17  2051 Mont. Md Vice Ser. 17  2060 Mont. Md Vice Ser. 17  2071 Mont. Md Vice Ser. 17  2072 Mont. Md Vice Ser. 17  2073 Mont. Md Vice Ser. 17  2074 Mont. Md Vice Ser. 17  2075 Mont. Md Vice Ser. 17  2076 Mont. Md Vice Ser. 17  2077 Mont. Md Vice	200   200	Central African  Central African  Central African  Central African  See Separation of
100   100	163 listocryste lev. Tit.	TyMaustain listing N.L.   10   12   14   14   14   14   14   15   16   16   16   16   16   16   16
385 3095ankh (David S.) 2006 386 + 2 7.0 4.4 2.9 10.5 14 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	15	1.63   September 8 Hill Soc.   132 -1   hQSc   0.1   1.8     163   September 18 Hill Soc.   132 -1   hQSc   0.1   1.8     163   September 18 Hill Soc.   132 -1   hQSc   0.1   1.8     164   September 18 Hill Soc.   132 -1   hQSc   0.1   1.8     165   September 18 Hill Soc.   132 -1   hQSc   0.1     166   September 18 Hill Soc.   132 -1   hQSc   0.1     167   September 18 Hill Soc.   1.8     168   September 19 Hill Soc.   1.8     169   Septemb

EUROPEAN OPTIONS EXCHANGE

#### CURRENCIES, MONEY AND CAPITAL MARKETS

#### **FOREIGN EXCHANGES**

# **US** dollar lacks support

DOLLARS IN various forms were at the centre of attention yesterday, involving a weakening of the US currency, and a strengthening of the Commonwealth dollars from Canada, Australia, and New Zealand.

The US unit opened little changed in Europe, and crept higher during the morning. There was no lead from Tokyo, where the market was closed for a public boliday. Traders waited for a reaction from New York, in expectation that the market would be wary of put-ting further pressure on the dollar, ahead of today's Thanksgiving boliday. Lack of central bank inter-

vention encouraged the market to go short of dollars however, driving the currency down as the Federal Reserve and the West German Bundesbank

stsyed on the sidelines.
The dollar fell below DM1.72, and through a technical sup-port level of DM1.7180, to close at DM1.7160 in London, com-pared with DM1.7205 on Wednesday.

In Frankfurt the dollar was fixed at DM1.7225, against DM1.7284 previously. This was near the top of the morning's range, and the Bundeshank did not intervene.

The holiday in Japan kept the dollar fairly steady against the yeo, and it closed unchanged at Y121.35 in Lon-

#### **£ IN NEW YORK**

Nov.23	Lates		Previous Close			
E Spot 1 sporth 3 months 12 months	L8297-18302 0.50-0.49pm 143-1.41pm 480-4.70pm		0.52-0.50pn 1.32-1.29pn			
Forward premie						
STERLING INDEX						
STE	RLIN					
STE	RLIN	Nav.		Previous		

#### **CURRENCY RATES**

Nov.23	Bank rate %	Special* Drawing Rights	European Currency Unit
Steriog, U S bullar Canadha S Austrian Sch. Belgnan Franc, Danish Krone, Dentsche Mark, Neth Gulder, Libian Lea Lapanese You Horway Krone Spanneb Peetla Swedsh Krone Spanneb Peetla Swess Franc, Lirga Paret, Lirga Paret,		0,748702 1,36743 1,64379 1,64379 1,64211 49,5283 9,12213 2,36347 2,66512 8,07946 1,756,93 1,66 416 8,93752 1,66 416 8,93752 1,6756 1,78756 1,98756 1,98756 0,884495	0.657484 1.20320 1.49855 14.5755 43.4203 7.99704 2.07190 2.33649 1.539.37 146.285 7.82619 136.142 7.23463 1.72.442 0.775855
"All SDR rakes a	are for No	w.22	

# **CURRENCY MOVEMENTS**

Nov.23	England Index	Guaranty Charges %
Sterling U.S Dollar Canadian Dollar Austrian Schilling Reiglan Franc Dannis Krone Dentsche Mark Swine Franc Guider French Franc Lira Yen	77.2 92.2 83.5 137.0 99.3 90.6 170.3 135.1 69.7 45.8 254.5	-15.3 -14.7 -10.3 -5.3 +0.6 +22.1 +20.8 +14.9 -20.3 +89.1
Morgan Guaranty	changes: a	rerage 1980

OTH	ER CURH	ENCIES
Nov.23	£	5
Argentina Australia Brazili Finland Greece Home Kong KoreatSkih Kore	1258 90 · 1269 00 0 51105 - 0 51220 66 00 - 66 10 4 8370 - 4 8390 4186 55 - 4199 85 2 8170 - 2 8220 6 6875 - 6 6885 3 5560 - 0 5615 4 3070 - 4 3185 6 6855 - 6 8090	12,7000 - 12,780 1,1505 - 1,1515 552,20-54-95 4,0804 - 6,086 142,05 - 144,35 7,8090 - 7,8110 868,50 - 692,10 0,27915 - 0,2792 35,90 - 2,420 2,284,00 - 2,290 1,5725 - 1,5350 1,420 - 1,9440 2,1500 - 2,9500 1,5725 - 1,9440 2,1500 - 2,9500 1,5725 - 1,9440 1,9440 - 1,9440 1,9450 - 1,9450 1,9450 - 1
Tarman	51 45 51 70	28.10 - 28 20

**MONEY MARKETS** 

INTEREST RATES in Londoo

showed no reaction to com-ments from Mr Nigel Lawson,

ments from Mr Night Lawson, the Chancellor, or to figures on growth in UK Gross Domestic Product. Three-month interbank was unchanged throughout at 12 3/16-12 1/8 p.c.

Mr Lawson told a meeting of the Chanceloration of British

the Confederation of British

Industry that there was no alternative to high interest rates as ao instrument for fighting inflation, and added

that there are signs of a slow-down in economic growth. Figures published yesterday showed that UK GDP growth in the third quarter was 1.3

p.c., compared with a revised 1.1 p.c. in the second quarter. The figure was in line with

IJK clearing bank base leading rate 12 per cent from August 25 & 26

market estimates, and gave a year-on-year growth rate of 5.0 p.c. The Bank of England ini-

p.c. the Bank & England initially forecast a London money market credit shortage of 1600m, but revised this to 1550m in the afternoon. Total help of 1453m was provided.

Before lunch the authorities

bought £124m hills outright, by way of £102m hank bills in band 1 at 11% p.c.: £4m hank hills in band 2 at 11% and £18m

bank hills in hand 4 at 111 p.c. In the afternoon another

£329m bills were purchased.

through £320m hank hills in

band 1 at 11% p.c., and £9m

**UK** rates unmoved

bank bills in band 4 at III p.c. Bills maturing in official hands, repayment of late assis-tance, and a take-up of Trea-

sury bills drained £232m, with Exchequer transactions absorbing £210m; a rise in the note circulation £135m; and bank balances below target

In Frankfurt, Mr Leonhard Gleske, a member of the Bundesbank Board, confirmed official concern about money supply growth when he said the central bank would be very lucky to meet its target of no more than 8 p.c. M3 growth for

more than 8 p.c. M3 growth for the year.
The Bundeshank absorbed

less liquidity than expected

from the money market yester-day. It allocated DMI8bn in a tender for a 28-day securities

repurchase agreement tender.

at retes between 4.35 p.c. and 4.55 p.c. Two earlier facilities

expired yesterday, draining a total of DM19.7bn from the

In Paris the Bank of France

left its money market interven-tion rate unchanged at 7% p.c., and the five to 10-day securi-ties repurchase rate at 7% p.c. yesterday, when injecting

funds into the money market,

via a securities repurchase ten-

The central bank allocated

FFr57.8bn at the tender, more

than replacing FFr39.3hn leav-

ing the market as two earlier facilities expired.

#### don, hut weakened in terms of European currencies, in line the trend against the D-Mark, falling to SFr1.4390 from SFr1.4475, and to FFr5.8650 from FFr5.8800.

On Bank of England figures, the dollar's exchaoge rate index declined to 92.2 from

This week's victory for the Conservative Party in the Canadian election continued to support the Canadian dollar. The US dollar fell to C\$1.1990 from C\$1.2025, as the market reacted to the Canadian endorsement of the free trade pact with the US.

High ioterest rates also underpinned the currency, and continued to push up the Australian dollar.

The Australian dollar remained around a four-year high, touching 87.00 US cents, and closing in London at 86.90 cents, against 86.30 on Tues-

day.
Poor trade figures from New

counted, and had less impact than indications that the row within the Government on economic policy is now unlikely to develop into a political crisis. The New Zealand dollar rose

to 65.20 US cents in London, from 65.00 cents, in spite of news that the New Zealand trade deficit in October was NZ\$86.1m, compared with a surplus of NZ\$153.1m in Sep-

Sterling's exchange rate index was unchanged through-out at 77.2, according to the Bank of England.

A rise of 1.3 p.c. in third quarter UK Gross National Product growth came as no surprise, while dealers also felt there was nothing new in com-ments made hy Mr Nigel Law-son, Chancellor of the Excheson, Chancelor of the Exchequer, in a speech to the CBI.
The pound rose 45 points to \$1.8375. It also improved to Y223.00 from Y222.50, and was unchanged at DM3.1525 and FFr10.7775, but fell to SFr2.6450 from SFr2.6525.

EMS E	UROPE	AN CURI	SENCY (	UNIT RAT	TES .				
Eco Currency % change % change central amounts from angiest Eco contral adjusted for divergence liquit.									
glan Franc	42.4582 7.85212 2.05863 6.90403 2.31943 0.768411 1483.58	43,4203 7,99704 2,07190 7,08201 2,33649 0,775855 1539,37	+2.27 +1.85 +0.65 +0.56 +0.74 +0.97 +3.76	+0.78 +0.34 +0.84 +1.07 +0.75 -0.52 +2.87	±1.5344 ±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0752				

				_
Changes are for Ed Ministered calcula	to, therefore po	sitive change at Times	denotes a weak	CUETTE

Nov.23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Morway	1.8270 - 1.8385 2.1965 - 2.2020 3.544 - 3.554 65.85 - 66.15 12.16 - 12.164 1.1790 - 1.1810 3.164 - 3.154 261.75 - 263.65 206.45 - 204 11.895 - 11.925 10.755 - 10.775 10.955 - 11.075 2224 - 2225 2224 - 2225 2215 - 2220 244 - 265	1.8370 - 1.8380 2.2005 - 2.2015 3.55\1, 3.56\1, 66.00 - 66.10 12.17\4, 12.18\1, 12.1	0.51-0.49cm 0.29-0.19cm 24-1.14cm 29-25cm 42-3.3cem 0.42-0.37cm 8-47cds 22-16cm 2-1arinsen 4-2arets 34-3-4cm 15-1orem 15-12-4cm 13-12-4cm 14-12-4cm 14-12-4cm 14-12-4cm	3.23 1.31 6.75 4.91 4.02 7.38 -1.24 0.51 1.43 8.83 7.66	1.32-1.27 pm 0.69-0.57 pm 6-9-0.57 pm 85-77 pm 11-4-11-2 pm 6-9-16-2 pm 6-9-16-2 pm 3-9-45-2 pm 4-3-3 pp 4-3-3 pp 4-3-3 pp 4-3-3 pp 4-3-3 pp 4-3-3 pp 5-4-4 pm 5-4-4 pm 5-4-4 pm	2.82 1.14 6.66 4.91 3.75 -1.75 -1.17 -1.37 -1.37 1.40 7.54 7.54

Nov.23	Day's spread	Close	One month	% p.a.	Three Months	₽4. %
UK†	1.8270 - 1.8385	1.8370 - 1.8380	0.51-0.48cpm	3.23	1.32-1.27pm	2.8
relamit	1,5490 - 1,5570	1.5545 - 1.5555	0.12-0.17cd/s	-1.12	0.41-0.51d/s	-1.1
anada	1.1975 - 1.2045	1.1985 - 1.1995	0.17-8.19cd/s	-1.60	0.48-0.52#s	-1.6
icther lands .	19330 - 19440	1.9350 - 1.9360	Q.60-0,58cpm	3.65	1.93-1.89pm	3.9
lekson	35 90 - 36 10	35.90 - 36.00	5.50-4.50cpm	1.66	21.00-18.00	21
enerary	6.614 - 6.654	6.624 - 6.634	0.60-0.20orepm	0.72	1.85-1,35pm )	0.9
V. Germany	1.7135 - 1.7240	1.7155 - 1.7165	0.61-0.58pfpm 1	4.15	1,90-1.86pm	4.3
ortural	143 - 1434	143-1434	40-70cds	-4.59	125-200dis	-4.5
pain	112.60 113.20	112 65 - 112.75	18-28cdls	-2.44	78-8845	-29
aly	1273 - 12804	12744 - 12754	2.80-3.30   redis	2.86	7.80-8.80dis	-26
forway	6.48 - 6.51		2.30-2.80oredls	-4.70	6.50-7.00ds	-5.6
rance	\$ 854 - 5.89	5.864 - 5.864	0.35-0.30com	0.66	1.38-1.28pm	0.9
areden	5.994 -6 02	5.994 - 6.004	0.85-1.00oredis	1.84	1.95-2.25ds	-174
apax	121.05 121.75	121.30 - 121.40	0.49-0.47ypm	4.74	1.50-1.40om	4.8
ustria	12.06 12.12	12.07 - 12.07 5	4.00-2.00groom	2.97	13.00-10.00om	3.8
witzerland .	1.4370 1.4490	1.4385 - 1.4395	0.55-0.52cpm	4.44	1.75-1.70pm	4.7

tegratement contents. B	cigian rate ss	tot consections	Francs. Pulice	4) Itale 30.15	·30.25.					
EURO-CURRENCY INTEREST RATES										
Nov.23	Short	7-flays	Doc Month	Three	Shr Mortis	One Year				
Sterling	12-11% 84-8% 7%-74 12-10 74-7 74-7 74-7	11:21:22 8:48:42 8:48:43 8:48:43 8:48:43 7:48:43 7:48:43 7:48:43 8:48 8:48 8:48 8:48 8:48 8:48 8:	115:1112 83:83: 103:93: 54:55; 43:44: 43:44: 8-73: 115:11 74:77: 43:44: 8-74: 8-74: 8-74: 8-74:	12 4-124 94-91 101-102 54-54 43-44 83-45 114-114 72-73 41-44 81-84	124-124 92-94 11-104 54-54 44-45 5-43 84-84 114-112 73-74 45-44 84-84	124-124 914-914 11-1014 54-5-6 44-6-6 1115-115 714-714 44-44 84-84 84-84				

		-20 -20	1	L	,	
Long term Edrado rears 94-912 per cent	lars: two years	97-94 perce	IN CINCE ASSES A	A PERCENT	Dat 2012 219-2	to per cere, I
rears 9%-91; per cent	nordaal, Skort	, berrin rades are	call for US Doll	ars and Japanes	e rest contest o	an desile work

EXCHANGE CROSS RATES										
Nov.23	£	5	OM	Yen	F Fr.	S Fr.	H FL	Ura	CS	SF
£	0.544	1.838	꿦	223.0 121.3	10 778 5.864	2.645 1.439	3.556 1.936	2343. 1275	2.201 1.197	66 G 35.5
OM YEN	0.317 4.484	0.583 8.242	14.14	70.75 1000.	3.418 48.33	0 839 11.86	1.128 15.96	743.1 10507	0 698 9.870	20 9 2%
F Fr. S Fr.	0 928 0.378	1.705 0.695	2.925 1.192	206.9 84.31	1d. 4075	2.454 1	3.30I 1.345	2174 885.8	2.042 0.832	61.2
H FI, Ura	0.281 0.427	0.517 0.784	0.886 1.346	62.68 95.18	3 029 4.600	0.743 1.129	1 1.519	658.5 1000	0.619	18.5 28.1
C S O Fr.	0.454	0.835 2.783	1.433	101.3 337.6	4.897 16.32	1.202 4.005	1617 5.387	1065 3547	1 3.332	30.0 100.
en per 1.0	00: Frenes	Fr. per	O Lira p	er 1,000:	Belglan Fe	. per 100				_

# Latest High Low Pres. 18275 18298 18252 18294 18166 18196 18136 18186 18060 18060 18020 18056

FT LONDON INTERBANK FIXING

O1.00 a.m. Nor 23) 3 months US dollars

## **MONEY RATES**

EW YORK		Treasury Bills and Bonds					
unchtime)  ine rate oher loan rate el funés el funés at intervention.	10 1 9½-¼ 5 8 <u>2</u> (	toe month		7.84 Four 8.25 Five 8.50 Seven 8.64 10-ye			
Nov. 23	Overalght.	One Month	Turo Months	Three Months	Six Months	Londord Intervention	
	4.30-4 40 7;2-8 34-33; 5.12-5.25 3.59375 103-1114 6.80 74-74;	4.604.70 78-84 44-45 5.25-6.31 4.20125 114-12 74-74 712-74	4.754.90 84.8 <u>4</u> - - 74.8	4.75-4.90 01g-81g 41g-45g 5.30-5.40 3.90625 11 to-12 7 g-7 l 7 g-8 lg	4.80-4.95 01.83 - - 81-81	5.00 7.25 - - - - -	

#### **LONDON MONEY RATES** Overnight 7 days One Three 51x One notice Month Months Months Year

	_		•			
erbank Offer erbank öld erbank öld erling CDs. al Authority Deps. al Authority Bodds count Mixt Deps. anac House Deposits anac House Deposits assey Bills (Buy) as 8 Bills (Buy) ar CDs. Bunked Dep Offer Bunked Dep Offer United Dep Offer Ulisked Dep Offer Ulisked Dep Bid	:	12 11% 11% 11%	714 712 713	712 714 714 72	1212 112 112 112 112 112 112 112 112 11	12 \\ 12 \\ 11 \\ 12 \\ 12 \\ 12 \\ 12 \\ 13 \\ 15 \\ 7 \\ 7 \\ 7 \\ 7 \\ 7 \\ 7 \\ 7 \\
Treasury 811/s (sell); one-month 11% per cent; three months 11% per cent; Bank 811/s (sell);						

Treasury Bills (sell); one-month 11%, per cent; three months 11% per cent; Bank Bills (sell); one-month 11, per cent; three months 11 per cent; Treasury Bills; Average tender rate of discount 11,634 pc. ECGO Fixed Rate Sterling Export Finance. Malte up day 0c.31, 1988. Agreed rates far period November 26,1988 to Occember 25, 1988, Scheme I: 13,07 p.e., Scheme II & III. 13,27 p.c. Reference rate for period October 1,1988 to October 31, 1988, Scheme IV&V: 12,035 p.c. Local Authority and Finance Houses seven days 'notice, others seven days 'fred-Finance Houses Base Rate 12½ from November 1, 1988; Bank Oeposit Rates for sums at seven days notice 3.75 per cent. Certificates of Tax Deposit Carries 6); Oerosit £100,000 and over held under one month 71; per cent; one-three months 9 per cent; three-six months 9 per cent, six-nine months 9½ per cent; nine-twelve months 9½ per cent; Under £100,000 7 per cent from July 5,1988; Deposits withdrawn for cash 5 per cent.

#### **FINANCIAL FUTURES**

# Sterling contracts weaken STERLING CONTRACTS weakened on Liffe yesterday. Trading remained subduled, Bank led to hedge selling of from 87.93.

until a late bout of selling pushed volume in long gilt futures up to around 12,000

December long gilts opened firmer at 96-00 but fell to a technical support level of 95-24, before closing at 95-27, against 95-29 on Tuesday.

imme tutal, Calls 4923 Puts 2716 s oom int. Calls 33077 Puts 42866

Rimated volume total, Calls O Puts O revious day's open lat. Calls 128 Puts 3799

LONDON (LIFFE)

Estimated Volume 13494 (14928) Previous day's open int. 33643 (32) 7-18 YEAR 9% NOTIONAL GILT 650,000 32:45 of 108%

Estimated Volume 235 (466) Previous day's open lat., 900 (895)

Est. Vol. (foc. figs. not shown) 5932 (9392) Previous day's open (et. 39364 C39142)

Estimated Volume 5521 (8332) Previous day's open Int. 14438 (14281)

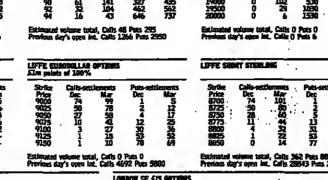
Estimated Volume 2046 (3036) Previous day's open lat, 10039 (1,1002)

Close High Low Pres. 87-31 88-64 87-28 87-21 87-17 87-17 87-17 87-07 87-03 87-03 87-03 87-03

1-mth 3-mth 6-mth 12-mth 18325 18245 18124 1 7915

to the rise of L3 p.c. in UK third quarter GNP growth, or to the comment by Mr Nigel Lawson, the Chancellor, that the UK economy is showing signs of slowing down.
Short sterling futures traded quietly, lacking incentive from LIFFE LONG CILT FUTURES OPTIONS M-24 430 245 118 30 10 3

Eurosterling issue by Lloyds Bank led to hedge selling of gilts. There was little reaction



0.35 0.30 0.30 1.00 3.40 9.75 17.60 CHICAGO

Close High Low Pres. 93-14 93-25 93-14 91-18

92.00 92.28 92.24 92.04 92.04 92.05

SWESS FRANC (IMN) SFt 125,000 \$ per SFr

1.30 2.45 4.50 7.50 11.35 Pres. 88-01. 87-20 87-07 86-28 86-17 86-07 85-29 1alest High Low 0.5833 0.5841 0.5821 0.5891 0.5901 0.5877

the cash market. March delivery short sterling fell to 87.91 from 87.93. US Treasury honds opened firm, adjusting to an overnight

rise in Chicago prices. There was very little further move-ment however, with December bonds opening and closing at 87-31, compared with 87-21 pre-

Dec 1474 998 1476 102 27 6

90.71 90.88 90.85 90.77 90.62 90.66 90.58 90.50

175599 61244 910514 151 1472 1.50 3.20 4.90 7.50 10.50 23 1 -2.10 4.90 A 1900 12 22 . . 150 1.50 88839489313 1281213 TOTAL VOLUME IN CONTRACTS : 23,919 C=Ca!)

#### BASE LENDING RATES

Raphael & Sons ..... erobe G'rantee .... anth & Williams Secs. Inity Trest Bank Pic .... Western Trust ......... Western Bank Corp. ...

Members of Beltish Merchant.
 Banking & Securities Houses,
 Association, \* 7 stay deposits 5.22%,
 Sacouse 8.47%,
 Out Ter-£10,000/instant access 11.00%
 Morteage base cate 6 feward deposits 79%
 Morteage as

#### BUSINESS LAW

Business Mage Tst .....

# New dangers of arbitration in Switzerland

By Dr F.A. Mann

F or many years British traders have been pre-pared in international contracts to agree to arbitra-tion in a "nentral" country under a "neutral" law. Arbitration in Switzerland under Swiss law was popular. When choosing such arbitration in the future it will be necessary to take into account the conse-quences of new Swiss rules on the conflict of laws, which determine the law applicable to a contract. A new federal statute on private international law will come in force on Jannary 1 1989. It includes regulations on international arbitration which since 1969 have been subject to the so-called Swiss Concordat.

On the whole, the new provi-sions on the conflict of laws do not involve changes which give rise to surprise or anxiety. There is, however, one excep-tion of the utmost gravity. This is the controversial Article 19 which provides, in substance, that instead of the normally applicable legal system, in par-ticular the law chosen by the parties, another may be substi-tuted. Such mandatory substi-tution would take place if (a) totion would take place if (a) the interests of a party which are worthy of protection and ohviously predominant so require, and (b) the facts indicate a close connection with that legal system.

Supposing that an English building company and a Ruritanian contractor enter into a

tanian contractor enter into a contract for building works in Ruritania, and agree to submit it to English law and the jurisdiction of Swiss courts and/or arbitration in Switzerland. Ruritania introduces legislation invalidating contracts which involve payments in excess of a certain amount. The English building company claims damages for repudiation to which under English (and, incidentally, Swiss) law it is clearly entitled. The Ruritanian contractor relies on Ruri-tanian legislation. Will the claim succeed? Article 19 gives the judge or arbitrator so wide a discretion that the result is wholly uncertain. Article 19 is so dangerous e provision and so firmly overrides any choice of law that in certain, often critical, cases litigation or arbitration in Switzerland has become hazardous.

The new provisions about international arbitration, how-

ever, are even more dangerous, though they can be avoided by a special agreement between the parties rendering the Con-cordat of 1969 applicable. The Articles 176-194 of the new law give rise to many uncertainties which ought to have been A serious defect occurs in Article 187. Unless the parties have chosen the applicable law, the arbitrators are directed to decide "according to the law with which the dis-

pute is most closely con-nected". Note: not the contract, but the dispute. This formulation can have the most extraordinary consequences. If in the above example there had been no choice of English law, Article 187 would direct the arbitrators to apply the law of Ruritania because the dispute is almost exclusively connected with Ruritanian law, though the contract may be clearly connected with Swiss law. Article 187 also invites the arbitrators to avoid the frequently difficult process of ascertaining such legal system as may have been impliedly chosen. To hold that there is no choice and that there is no choice and that there the law most closely connected will in practice have been exhausted by appeals preced-ing the award and the remain-ing grounds (decisions on mat-ters not submitted, denial of equal treatment or natural jus-tice) are rare. But what will be regarded as contrary to public policy? the law most closely connected with the dispute applies, is

cross-examination being often

There is a third aspect of

the most crucial marters.

much easier.
One of the most serious problems is that in the past it extreme circumstances to allow such an appeal, particu-larly in cases in which both problems is that in the past it could be taken for granted that in principle the procedure of an arbitration was subject to the law of the place where the arbitration had its seat: arbitration in Geneva meant that Geneva procedural law applied, though within limits the though within limits the parmost serious point is that the ties could agree upon some dif-ferent procedural law. And where a third party nominated Geneva as the place of arbitra-tion, the parties were taken to have agreed upon the proce-dural law of such place as the third party would designate. Now it seems that such clauses do not even constitute an implied choice of procedural law. The parties are likely to be treated as having failed to choose the procedural law so that the arbitrators have the right and the duty to choose it (Article 182). Accordingly, many arhitrations will start with a battle over procedure, discovery of documents and

can be attacked only by an vague and even obscure that can be attacked only by an appeal to a single court, the Swiss Federal Tribunal (Article 191), and only on a very limited number of grounds. This is a major change from the Concordat which allowed an appeal to the swiss scene is bound to ask how it was possible for a rational, fair—minded and patriotic local later.

dat which allowed an appeal to a local law and then to the legislator to enact provisions. Federal Trihunal and recognised 9 grounds for annulment. Under its rules an award can be appealed inter alia, because it awards something more or other than claimed, is arhitrary or violates law is clearly. In so far as arbitration is concerned, the reasons for this other than claimed, is armitrary or violates law, is clearly somewhat paradoxical development, fails to observe certain ment are twofold. In the first essential formalities, does not place the Concordat, as interpreted by the Swiss courts, permeted anneals to the courts essential formalities, does not place the Concordat, as intermake sense to the reader or preted by the Swiss courts, perhecause the arbitrators' fees mitted eppeals to the courts Under the new rules there is only a single appeal to the Federal Tribunal, and it will in practice be only inconsistency with public policy which will supply a basis for attack. Lack of jurisdiction or lack of valid to be treated as precluding attack at a subsequent stage. not only against final awards, but also against interlocutory appointment of an arbitrator will in practice have been exhausted by appeals preceding the award and the remaining grounds (decisions on mating grounds (decision which at the time of the conchision of the contract at least one party was resident outside Switzerland.

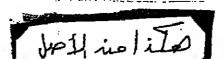
The other reason is the myth

In the past the practice of the Federal Tribunal has rightly been such as to require extreme circumstances to allow such an appeal, particularly in cases in Which both larly in cases in which both parties were non-Swiss. It is even doubtful whether the award of more or something else than what is requested by the applicant is covered. The most serious point is that the most serious point is that the failure to apply the relevant law or even the arbitrary misapplication of the law may not be effective grounds of appeal. The well-known tendencies of certain Swiss arbitrators to disregard the law and to apply what the arbitrators regard as dencies may deserve support in the case of certain quality dis-putes, thousands of which are decided in England every year. what the arbitrators regard as equity, even though they may give it the high-sounding name of lex mercatoria or "transnational" law, are likely to remain uncontrollable.

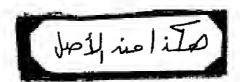
It may be that in course of the have a high degree of cast. It may be that in course of time Swiss judicial practice will develop in a manner which displays more wisdom than the legislative has exercised, and will protect the relative certainty which international arbitration expects and such forecast almost impossible.

ative certainty which interna-tional arbitration expects and requires. For the time being, however, Swiss law has in far-reaching impact. An award many respects become so Herbert Smith, City solicitors. The author is a consultant to:

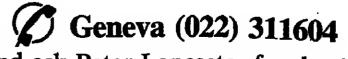




TES



L	FINANCIAL TIMES THURSDAY NOVEMBE		Φ 4I		
(e.			N MARKEIS		
MICGASLERRSSV	PRAISE   Constinued	### WORLD STO  ### WO	CK MARKETS    Canada   State   State		
50.00 日本の大学の会会   1月   1月   1月   1月   1月   1月   1月	Dispace   Disp	SPAIN	NEW YORK   DOW JONES   Size compilation   1985   Size compilation		
Cast Cont. C	Section   1,000   -50   Mapp   Mills   1,750   -50   Mapp   Mapp   Mills   1,750   -50   Mapp   Ma	Select   S	Have your F.T. hand delivered in Switzerland  If you work in the business centres of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTERTHUR — gain the edge over your competitors. Have your Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your business.  12 FREE ISSUES  When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."  FINANCIAL TIMES  Europe's Business Newspaper.		



#### YORK STOCK EXCHANGE COMPOSITE PRICES

42 **Ф** 3pm prices November 23 

13 Month

14 Month

15 Month

16 Month

17 Month

16 Month

17 Month

18 Mon 

220 3.125 1 n 15a .8 1 1 32 1 13 - C-C-C-- 90 23 23 4.40 28 15 

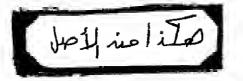
Chiga Close Prev. Guestr Close 11½ + ½ 61¼ + ½ 63½ - ¼ 20½ + ½ 7½ 31½ + ½ 52¼ + ½ Month
It Lew Stock |
1 11 Curine 1.16
4 51 Curine 1.16
5 52 Cycare
1 25 Cyclpin
75 CypSen
181<sub>2</sub> Cypse 20e
511<sub>3</sub> CypM pt3.75 1114 6112 654 2012 d 712 3114 8214 12 Marie 12 

Leve Stands DN:
12 Kmplot 5
20 Kennot 1.00
17 Kmplot 5
20 Kennot 1.00
17 Kmplot 1.00
17 Kmplot 1.00
17 Kmplot 1.00
17 Kmplot 1.00
18 Kennot 1.00
18 Kennot 1.00
18 Kennot 1.00
18 Kennot 1.00
18 Kmplot 1.00
18 Ling Well 1.00
19 Ling Well 1.00
19 Ling Well 1.00
19 Ling Well 1.00
19 Ling Well 1.00 36<sup>1</sup>2 16<sup>1</sup>2 66<sup>1</sup>2 63<sup>1</sup>2 

| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

Rothmans The Original King Size Rethmans KING SILE

Joli low Hay



#### E COMPOSITE PRICES

2214, Technol ARD
240, Tarchen J. 122
2514, Technol ARD
2517, Technol J. 122
2514, Technol J. 123
2514, Technol J. 124
2514, Technol J. 40337708695464442744524454444444455529935245344444455529131753270347452501317025013170250131702539735444 

131-2 122 Visicial 3.22
131-2 122 Visicial 3.22
131-2 124 Wild 3.22
131-3 124 Wild 3.22
131-3 124 Wild 3.22
131-3 125 Wild 3.23
131-3 125 Will 3.2

**AMEX COMPOSITE PRICES** 

391e 22 VF Cp .80

2pm prices November 23

Calgor a .22
Calgor a .23
Calgor a .24
Calgor a .25
Calgo

DBM Fix .26 DBM colors of DBM

Control of the contro

Several Section 1 Section

| Sheek | Div.E | 1980 | Love | Chase | Chase | Chase | Div.E | 1980 | Love | Chase | Chase | Chase | Div.E | 1980 | Love | Chase | Chase | Chase | Div.E | 1980 | Sh. | Sh. | Sh. | Sh. | Dunnates | Sh. | Sh. | Sh. | Sh. | Sh. | Sh. | Dunnates | Sh. | S

| Shooth | S 

Have your F.T. hand delivered in Norway

If you work in the business centres of BERGEN, market and your business. OSLO or STAVANGER - gain the edge over your

Have your Financial Times personally delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that influence or affect your

12 ISSUES FREE

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, *Time* magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

Oslo (02) 684020

And ask Heidi Aastorp at Narvesen Info Centre-NIC for details.

FINANCIAL TIMES

Europe's Business Newspaper

#### OVER-THE-COUNTER

| 100m |

Free hand delivery service

Free hand delivery service for all subscribers who work in the business centres of

MALMŌ,



Stockholm

AB Skandit for details.

**STOCKHOLM GOTHENBURG** 



(08) 235305 And ask

FINANCIAL TIMES

# Dow advances further in thin pre-holiday trading

WORLD STOCK MARKETS

**Wall Street** 

A MODEST rise by equities yesterday morning came in low volume as traders started winding down for today's Thanksgiving Day market closure, writes Janet Bush in New

At 2 pm, the Dow Jones Industrial Average was 12.98 higher st 2,090.68 on volume of only 62m shares by midsession. Trading has been thin all week in anticipation of tomor-row's holiday and the prospect of only partial business on Pri-day. Volume was additionally weakened yesterday by the clo-sure of the Tokyo markets. There was one key economic

release yesterday but this had little impact on pre-holiday trading. US durable goods orders for October rose 2.4 per cent, which was rather more than analysts had expected. Most of the rise, however, was due to defence orders. With these stripped out, orders fell 0.2 per cent. September's orders were revised to a drop of 2.9 per cent from the decline of 3.2 per cent previously

reported.
These numbers had littla impact on the bond market where prices were quoted nar-rowly mixed at midsession. The other focus of hoth

equity and bond markets this week is the meeting of the Organisation of Petroleum Exporting Countries in Vlenna. Crude oil prices again scored healthy gains as comments from Opec officials suggested the cartel was close to an

egreement which would set a production ceiling of 18.5m bar-rels s day.

Although Iran and Iraq are still at odds over their individual quotas, there are hopes for a resolution of other problems. The talks are crucial because oil is an important component of the overall prices outlook in the US. Weak oil prices have been a key deflationary force

this year while other prices have been steadily rising. There is some optimism that the market may have stabilised from its sharp losses from its post-crash high ou October 21. The Dow index has managed modest gains for the last four

However, although this is encouraging, traders are scepti-cal that the market can build any substantial rally given concerns about higher interest rates. This week's gains still leave the Dow below the level it traded at before the last set of trade figures.

Among featured stocks was Rorer Group, which added another \$1% to \$41% on con-

tinuing takeover speculation.

RJR Nebisco gained \$1% to \$86% as the market waited for the results of the second round of bidding before the deadline next Tuesday. General Motors added \$% to

\$81% after Mr Roger Smith, the chairman, said he would endorse an increase in the common stock dividend if earnings stayed et current levels. Interco surged \$2% to \$67%. The company said it planned to pay special dividends made up of cash and securities total-ling \$71 a share under its restructuring programme. This improves on the \$66-a-share previously envisaged.

Flextronics lost \$½ to \$4% after saying it was holding discussions about the possible purchase of a minority stake rather than a full merger.

#### Canada

DECLINING golds and indus-trial stocks pulled Toronto slightly lower in early trading as optimism over the Conservatives' election win on Mon-day faded.

The composite index slipped 3.9 to 3.254.9 on light turnover of 2.6m shares. Bank of Mon-treal, which reported higher fourth quarter earnings, was

#### Swedish tax reform plan receives a warm welcome in Vienna were behind the

SCANDINAVIAN hourses attracted considerable interest in Europe yesterday, with tax plans giving Stockholm a hoost. Elsewhere shares showed a slight gain, writes Our Markets Staff.

STOCKHOLM gave a warm welcome to the Social Demo-

crats' tax reform proposals, whose announcement held up the start of trading for half an hour. Plans to reduce the nominal rate of corporate tax from 58 per cent to 30 per cent from 1991 was seen as positive for hlue chips. Turnover rose to a very active SKr444m, with for-eigners entering the fray. The top 16 stocks gained 1.1 per cent, while the Affarsvärlden

Mr Johan Ewerlof of Citicorp Scrimgeour Vickers said the reforms would encourage companies to invest more and pay out more in dividends using money that currently lay idle

Mr Brian Knox of Kleinwort Griaveson believed tax rules would he tightened so that some hig companies would actually end up paying more. Nonetheless, Swedish investors viewed the proposed cuts as positive because they looked at a company's earnings after nominal tax charges, he said.

Volvo was active again, with the B-free share rising SKr3 to SKr358 on expectations of good news from presentations to good and tomorrow. There have also been rumours Volvo is plan-ning a sale and lease-hack of its property or a tax-related

Electrolux B-frea gained SKr7 to SKr271 after slightly hetter than expected ninemonth profits, up 22 per cent. OSLO was also strong in active trade as improved oil prices sent some sectors higher. The all-share index gained 5.25 to 303.55 and the oil index rose 14.08 to 275.21. Rumours of Iraqi agreement

to quotas at the Opec meeting

Figures in parentheses show number of stocks per grouping

Australia (91).

Austria (171... Belgium (63).. Canada (125).. Denmark (39). Finland (26)...

Italy (98)...... Japan (456)... Malaysia (36).

Mexico (13). New Zealand (25) Norway (25)

Singapore (26).... South Africa (60) Spain (42)...... Sweden (35).....

Switzerland (57)

United Kingdom (318). USA (577).....

Europe Ex. UK (690).... Pacific Ex. Japan (224). World Ex. US (1886)... World Ex. UK (2145)...

World Ex. Japan (2007)

ieum, additionally helped hy the 30 per cent stake taken by Total of France, jumped NKr5.50, or 6% per cent, to FRANKFURT traded quietly

boost to oil stocks. Saga Petro-

amid continued concern about the dollar, with shares showing only slight gains at the close.
"The market is very cautious, with people looking for the present period of consolidation to continue," said one dealer. At midsession the FAZ index was 3.08 higher at 530.35 and at the close the DAX was 3.47 bet-

ter at 1,280.87.
Chemicals group BASF pleased the market with a 23 cent jump in nine-month profits to DM2.65bn, at the top end of most expectations. BASF climbed DM3.50 to DM280 before the announce-

Engineering group KHD — the subject of recent press reports about problems at its foreign subsidiaries — recovered from Tuesday's DM10-fall to close DM2.50 better at DM123.50. KHD later said losses at its US unit Deutz Allis would be less than last year's deficit of \$169m.

PARIS made a positive start to the December monthly account, helped by unchanged interest rates. But volume was estimated at less than FFr2bn. The OMF 50 index rose 3.91 to 404.72 and the opening CAC General was up 2.4 at 391.1. Midi gsined FFr20 to

FFr1,610 amid speculation it was again in play after its row with defensive partner Axe over a stake Midi has taken in Marceen investissements, the raider in Société Générale shares. Midi said Generali of Italy now held more than 17 per cent of the company. Société Générale added FFr5 to FFr545, with friends of the

company said to be buying.
Total, the oil group, rose
FFr8.80 to FFr324.80 in active

TUESDAY NOVEMBER 22 1988

Sterling Index

80.33 108.25 96.18 122.72 105.08 89.08 70.78 86.32 107.45 69.05 154.12 141.02 88.36 57.09 98.43 123.81 109.61 62.06 113.25 88.30

93.29 149.90 127.24 88.52 80.80 99.56 125.84 111.22

Sase values: Oct 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US S Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987 Latest prices were unavailable for this edition.

Day's Change %

10.55 10.55

+0.6 +1.0 +0.9 +0.4 +0.3 +0.4 +0.7 +0.7 +0.7

145.11 99.31 133.84 118.92

151.73 129.92 110.13 87.51 106.73 132.85 85.37 190.54 139.86 174.36 109.13 70.58 121.75 119.37 116.66 153.07 135.52 76.73 140.02 108.92

115.35 185.33

157.32 109.45 99.89 123.10 155.59 137.50

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Currency Index

89, 15 119,64 103,55 137,13 111,92 101,58 78,27 107,01 120,65 81,55 146,16 142,06 435,98 96,65 57,66 107,50 106,97 95,33 131,16 68,85 113,25 113,25 113,25 113,25 113,99

99.04 143.10 125.61 108.61 90.35 104.53 124.71 120.03 119.54 105.26

111.38 | 119.37 | 2.30

Gross Oiv. Yield

4.69 2.41 4.23 3.36 2.19 1.319 2.483 4.13 2.481 2.51 2.51 4.83 3.12 2.47 4.83 3.13 2.47 4.65 3.74

3.74 0.73 1.63 3.72 3.01 4.69 1.70 2.06 2.28 3.78

Dollar Index

109.81 87.85 105.99 132.50

84.60 188.63 138.41 176.77 108.60 70.96 120.94 116.19 152.41 133.86 76.37 138.65 108.53

114.65 183.52 155.96 109.04 99.59 122.55 154.27 136.57

trading on its increased stake in Norway's Saga, seen as posi-tive because it will hoost Total's upstream activities.
Alsthom lost FFT11 to FFT368

on signs it would not get the lion's share of a Spanish high speed train contract. AMSTERDAM drew strength from positive corporate news and the relative steadiness of the dollar as shares advanced

There was a varied response the country's leading insur-ance groups. Nationale Neder-landen added 60 cents to Fl 63.10 after reporting nine-month profits of FI 523.5m, up 13 per cent, while AMEV fell 50 cents to FI 51.30 on news its

I per cent to FI 205.6m.
Property fund Rodamco sdded 20 cents at FI 93.60 after launching its £1.3bn bid for UK property group Hammerson. Publisher Elsevier climbed Fi 1.30 to Fi 58.80 despite a call from a Dutch consumers asso-ciation for the European Community to investigate whether the merger between Elsevier newspaper NDU and Perscomhinatie hreaks the EC's antimonopoly laws.
MILAN closed higher in

active trading, with insurer Generali again the focus. The Comit index closed 4.08 better at 479.64 in good volume. Generali gained L760 to L45,250 at the close, with the shares making further ground in after-hours trading. Specula-tion continued to suggest three possible reasons for the strength of the shares: Jepa-nese huying; the group's core sbareholders adding to their existing stakes; or renewed hopes that Generali will launch a second attempt to buy

France's Midi.
ZURICH pursued its recov ery from sharp falls but the pick-up petered out towards the close, leaving the Credit Suisse 4.2 better at 495.5 in active trading.

MONOAY NOVEMBER 21 1988

Sterling Index

80.30 107.80 96.18 124.23 104.31 89.23 71.39 86.12 107.66 68.75 113.47 143.64 57.66 98.27 95.83 94.41 123.85 124.85 124.86 125.8

93.16 149.13 126.73 88.61 80.93 99.58 125.35

Currency Index

112.08 88.83 119.58 103.87 136.60 110.94

101.71 78.88 106.26 120.88 81.13 145.35 142.41 442.00

142.54 125.08 108.26 90.46 104.48 124.22 119.58 119.07 105.01

1988 High

152.31 99.31 139.89 128.91 151.73 139.53 111.95 87.85 111.86 144.25 86.73 154.17 180.0

115.35 185.33 157.32 116.07 100.74 128.27 155.59 137.50 137.84 115.54

118.92 | 137.71 | 113.37 | 112.08

#### **ASIA PACIFIC** Australia and Hong Kong make strong gains

A DAY of hectic trading in the main Asia Pacific markets saw Australia break its nine-day run of losses and Hong Kong end its period of consolidation with a sharp rise in heavy turnover. Taiwan set a volume record as shares plunged, while Seoul was strongly higher after a televised apology

by the former president, writes
Our Markets Staff.
AUSTRALIA rallied sharply
on the back of Wall Street's
overnight gains and firmer oil
and metals prices. The All
Ordinaries index closed up 12.3
at 1490.7 on good jurgover. at 1,490.7 on good turnover. In spite of the mini recovery, however, the strength of the Australian dollar continued to worry the market, said one dealer.

Energy stocks benefited from the stronger oil price, with Santos 9 cents better at A\$3.50 and Ampol Exploration up 3 cents at A\$1.83. Similarly, gold stocks were lifted hy the rise in bullion prices. Renison Gold-fields added 20 cents to A\$6.70, Poseidon picked up 14 cents to A\$1.80 and Kidston gained 6

A\$1.80 and Kieston gamed 6 cents to A\$2.96.
Building materials and sugar producer CSR rose 2 cents to A\$4.45 after reporting an 85 per cent jump in half-yearly profits. Woolworths – the target of a takeover bid from IEL on Tuesday - eased 3 cents to A\$3.60, while IEL closed

unchanged at A\$1.42.
Among market leaders, BTR
Nylex climbed 10 cents to A\$8.54, News Corp moved up 5 cents to A\$10.20 and BHP added 4 cents at A\$7.10. HONG KONG enjoyed its

husiest day since early July husiest day since early July with the property sector again the main engine. The Hang Seng index rose 34.86 to 2,633.65 with shares worth HK1.24bn traded. "There was no one particular reason behind the rise," explained an analyst. "It went up because the market has been consolidating for so long it was dating for so long; it was rather like a coiled spring." Hongkong Land was the most active stock, up 25 cents at HK\$8.90 on turnover of 14m shares. Shui On Group

resumed trading after announcing on Monday tha sale of its Shui On Centre for HK\$2.5bn, and promptly climbed 45 cents to HK\$1.60.

Newly listed Television
Broadcasts, the recently spunoff television interests of Hongkong TV-B, was in good

demand, closing at HK\$12.70, 10 cents above its low of the day. TV-B itself gained 6 cents to HK\$1.36. TAIWAN see-sawed wildly in extremely hectic trading as volume reached a record of 894m shares worth T\$77bn. The volatility of the market was volatility of the market was underlined by the fact that the day's high was 7,596.79. However, the lack of support at the 7,500 level meant shares fell hack sharply to close down 163.82 on the day at 7,322.15.

SINGAPORE took its cue, in

the absence of Tokyo, from Wall Street's overnight gains, and closed firmer as bargain hunting belped shares break through the 1,000-mark. The Straits Times industrial index ended 8.72 higher at 1,008.24

SEOUL was expected to reach another record peak, buoyed by a public apology by former president Mr Chun Doo Hwan for alleged corruption among family memhers. The market was also propelled higher by rising hrokerage. short-term finance and con-struction stocks. In late trading the Korea Composite index had gained 11.46 to 798.63; the close was unavailable. Volume was heavy at 20m shares, worth a total of 484bn won.

DOLLAR INDEX

91.16 83.72 99.14 107.06 111.42 106.78 84.90 104.60 62.97 133.61 107.83 90.07 95.23 64.42 98.55 97.99 98.26 130.73 120.68 99.19

97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00

86.13 76.71 82.23 103.16 76.53 137.45 102.46 147.02 97.64 76.86 106.68 97.26 131.59 116.29 99.96 80.93 121.43 100.38

119.91 100.56 85.20 88.97 119.50 111.18 111.95 99.94

# Japanese brokers fish for a Soviet theme as trade relations improve

or a country as depen-dent on trade as Japan is, the prospect of greater access to one of the largest markets left in the world - the Soviet Union - is irresistible.

Recent signs that the Russians are eager to improve trade relations with Japan have sparked much talk in

Tokyo business and invest-ment circles about the emergence of a vast, undeveloped market for Japanese goods. In September, Mr Mikhail in September, Mr Mikhail Gorbachev, the Soviet leader, made a widely publicised speech in Siberia that sent an numistakable message to Japan about his eagerness to see big improvements in bilateral trade relations. Since then, speeches have been made on speeches have been made on both sides about the need to strengthen economic ties and a

Tokyo was closed for Labour Thanksgiving Day

number of Japanese trade missions have visited the Soviet

Characteristically, Japanese equity market analysts have been quick to seize upon these developments for their poten-tial as a new market theme. The prospect of greater trading links has buoyed investor interest in a range of concerns from Nippon Suisan, a fishing

company, to Komatsu, a maker of construction machinery.

Japan's fishing companies have been hard hit by strict fishing zone regulations. Now, however, Nippon Suisan, the largest company in the sector, has seen its share price rise from Y715 on September 1 to Y849 on Tuesday, even though it has denied that trade devel-opments could have a positive

impact on its earnings.

Komatsu, meanwhile, has risen from Y717 on September I to Y879 on Tuesday. The com-pany has considerable experi-ence in selling construction equipment to the Soviet Union and is expected to benefit from Soviet efforts

Japan's relationship with the Soviet Union has long been clouded by a territorial dispute over the islands north of Hokkaido known as the Northern Territories, which the Soviet Union has occupied since the end of the Second World War. The prospect of Share prices (Ven) greater access to the USSR evokes both scepticism and

hope in the stock market, writes Michiyo Nakamoto

The official Japanese position is that there can be no talk of full-scale hilateral economic co-operation without settling the territorial issue.

In talks with Mr Gorbachev in Moscow this summer, Mr Yasuhiro Nakasone, the former prime minister, raised the question of the islands. Since then, statements by visiting Soviet scholars and at least one high-ranking official have suggested a move in Moscow towards a more flexible approach to the territorial problem.

rade between Japan and the Soviet Union has already shown a considerable increase this year.

Two-way trade for the year to September amounted to a total of \$4.5bn, a 29 per cent increase over the same period last year.

Nevertheless, most of those closely involved in trade with the Soviet Union remain sceptional states in the second of the second cal about improvements in the near future. The Soviets are short of foreign currency reserves because of the slump in oil prices and this means they are trying to make deals on the basis of counter-trade. However, Soviet raw materials, such as coal and oil, are not competitive with those from Western sources. Imports of

its dealings with the rest of the world," says an expert at Toyo Engineering. Rather than buying an entire plant as a package, they are seeking joint ventures that offer them technological knowhow and managerial experience as well the means to say hadly. ths means to earn badlyneeded foreign currency. The Japanese would prefer to pro-vide their services in the form of project financing and job execution, which offer hetter

Soviet raw materials and rare metals have risen this year,

but mainly due to the general

increase in Japanese domestic demand rather than any

change in policy.

The business community in Tokyo is also pessimistic about the potential of the Soviet market as an outlet for Japanese capital goods. "The Soviet Union is becoming smarter in its dealings with the rest of the world," says an expert at Toyo

rewards than joint ventures do. Restrictions under the rules of the Co-ordinating Committee for Multilateral Export Controls (Cocom) remain the most formidable harrier to greater exports to the Soviet Union, especially as Toshiba suffered US sanctions last year for selling machine tools restricted by the committee to the Soviet Union.

Activity on the equity mar-ket has tended to reflect these

#### **SOUTH AFRICA**

TRADING lacked direction in Johannesburg yesterday, and stocks finished unchanged to lower after profit-taking set in. Gold shares closed narrowly mixed, as a stable bul-lion price mostly offset a to R8.55.

higher financial rand. Vaal Reefs lost R6 to R255 and Driefontein dropped 50 cents to R33, while Freegold rose 25 cents to R28.50 and Deelkraal picked up 20 cents

sobering fundamentals. Almost every time a company's shares have risen on the new trade theme, they have lost a compa-

theme, they have lost a comparable amount within days.

Toyo Engineering, a company with substantial experience of business with the Soviet Union, saw its share price jump Y53 on October 29 to Y865. The rise followed suits by a Soviet official who made a statement successive. made a statement suggesting that Moscow did not want the Northern Territories issue to get in the way of improved trade relations. However, Toyo Engineering lost Y24 the fol-lowing day and had reached Y809 by Tuesday this week.

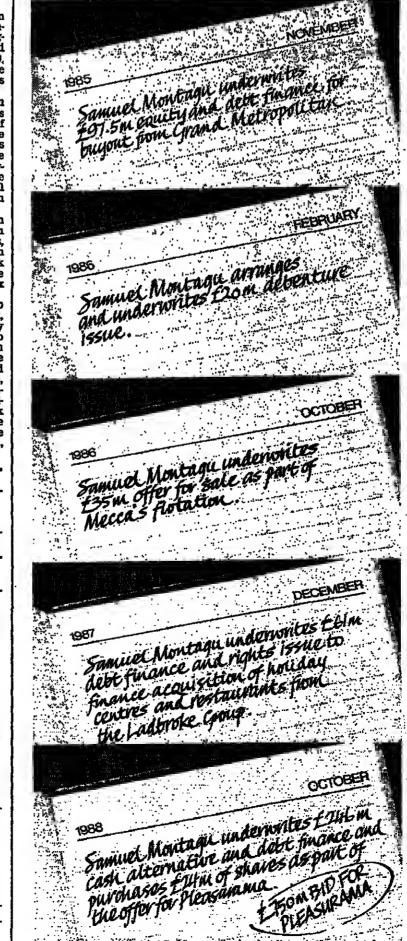
Brokers openly admit that as a theme, the Soviet trade Issue lecks the immediacy of the main market themes, such as land redevelonment and corporate restructuring. Companies that have risen on the Soviet theme have had a more convincing story to support their strength. Nippon Suisan, for example, has a warehouse on Tokyo's waterfront — and speculation about the redevelopment of its prop-erty appeals more to Japanese erry appears more to Japanese investors watching high-rise after high-rise go up along Tokyo Bay than vague talk about better fishing prospects in the waters of an unknown

Nevertheless, the Japanese Nevertheless, the Japanese want to be as optimistic as possible about improving trade links with the Soviet Union. "We have to pretend we're getting ready for a big party." said a long-time Moscow resident working for Mitsul and Co.

As one official at the Ministry

As one official at the Minis-try of International Trade and Industry edmitted, the Japanese are heginning to feel nervous that, unless something is done, the Soviet market may open up not to them, but to someone else, such as the Kor-

On Tuesday the Government announced it would relax restrictions on 15 items on a list of 180 high-technology products banned from export to communist countries. Hopes are also pinned on the visit next month of Mr Eduard Shevardnadze, the Soviet For-eign Minister, who may bring specific suggestions that give substance to all the talk.



# Maybe you should take a leaf out of Mecca's book.

Samuel Montagu congratulates Mecca not just nn its successful bid for Pleasurama but on its rapid transformation into the UK's largest leisure group.

We'd like to feel we've played a small role in Mecca's development. Not just over the last few weeks, but since we first advised its management in 1985 when we financed a fully underwritten buy-nut from Grand Metropolitan in the face of heavy competition.

In 1986, we underwrote a debenture issue and later that year arranged Mecca's Stock Market flutation. And in December 1987, despite Black Mnnday, we financed a major acquisitinn for the group.

This October, we played a key role in Mecca's £750m bid for Pleasurama. We underwrote both equity and debt finance and purchased Pleasurama shares ourselves to help Mecca achieve control.

At Samuel Montagu, he th our Corporate Finance and Specialised Finance teams believe in building relationships with clients, giving corporate advice and financial backing along

So if you're looking to build a successful relationship with a merchant bank, take a look at our credentials.

They make interesting reading.

Samuel Montagu & Co. Limited

F MIDLAND MONTAGAL THE ENTERNATIONAL AND ESTMENT BANKENG ARM OF MIDLAND GROUP AMES STREET, LONDON ECH WAS, TELEPHONE, H. W.

